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3 OCTOBER 1986

SOUTHEAST ASIA REPORT

CONTENTS

BURMA

- Non-Communist Rebels Forge Ties With BCP
(Pratya Sawetvimon; THE NATION, 7 Sep 86)..... 1

KIRIBATI

- Tabai Rejects Soviet Spy Threat, Maintains Fishing Agreement
(Angwi Hriehwazi; PAPUA NEW GUINEA POST COURIER,
8 Sep 86)..... 4

LAOS

- Post Thai Election Commentary Goes on, U.S. Scored
(PASASON, various dates; VIENTIANE MAI, 15 Aug 86)..... 5
- 'Talk' Cites Phichai on Relations With Laos 5
Commentary Scores U.S. Bases, 'Attacks' on PRK 6
Article Scores ASEAN, PRC, Thais 7
'Talk' Sees Continuing Thai Border Dispute 8
'Talk' Cites Northeast Thais' Lao Roots 9
Commentary Sees Hope for Change in Thailand 9
'Talk' Sees Few Thai Changes 10

MALAYSIA

- Lee Kim Sai Clarifies Statement on MCA Defeat
(Idzan Ismail; UTUSAN MALAYSIA, 19 Aug 86)..... 13
- Future of MCA-Gerakan Joint Council Viewed
(Idzan Ismail; UTUSAN MALAYSIA, 21 Aug 86)..... 16
- Economic Data Show Decline in 1985
(P. Gunasegaram; BUSINESS TIMES, 26 Aug 86)..... 18

Japanese Firms Increasing Commitments (BUSINESS TIMES, 26 Aug 86).....	20
Growth Restraints Removal Announced (Azam Aris; BUSINESS TIMES, 2 Sep 86).....	21
Briefs	
Rice Smuggled From Thailand	23
Sabah Deports Illegal Immigrants	23

PAPUA NEW GUINEA

Changed Attitude Toward Australia Noted (Claire Tedeschi; THE AUSTRALIAN, 23-24 Aug 86).....	24
Warning on Communist Infiltration in Colleges (PAPUA NEW GUINEA POST COURIER, 9 Sep 86).....	26
Aid Cuts 'Not as Drastic as Originally Feared' (Angwi Hriehwazi; PAPUA NEW GUINEA POST COURIER, 12 Sep 86).....	27

PHILIPPINES

Political Groups Claim Increased Membership (Gigi S. Oyog; VERITAS, 4-10 Sep 86).....	28
MNLF Said Keeping Guard Up Despite Negotiations (Melvin Uy; VERITAS, 4-10 Sep 86).....	31
VERITAS Distinguishes Between NPA, Bandit Groups (Reina B. Casenas; VERITAS, 4-10 Sep 86).....	34
Concom Commissioner Discusses Division in Column (Joaquin G. Bernas; VERITAS, 4-10 Sep 86).....	36
Editorial Stresses Need To Reform Army (PHILIPPINE DAILY INQUIRER, 12 Sep 86).....	38
Economy Shows Improvement in Second Quarter (NEW DAY, 15 Sep 86).....	40
\$866 Million BOP Posted After First Semester (Juanito C. Concepcion; MANILA BULLETIN, 13 Sep 86).....	42
Development Bank Losses Pegged at 1.24 Billion Pesos (MANILA BULLETIN, 13 Sep 86).....	44
1986 First Half Trade Deficit \$144.5 Million (MANILA BULLETIN, 11 Sep 86).....	46

'Economic Indicator' on Trade Deficit (BUSINESS DAY, 12 Sep 86).....	48
Net Capital Outflow To Reach \$1.1 Billion (Daniel C. Yu; BUSINESS DAY, 12 Sep 86).....	50
Agricultural Loans Consolidated Under Fund (Oscar Gallamos; THE MANILA TIMES, 12 Sep 86).....	52
2.9 Billion Pesos Released for Emergency Employment (Raul Marcelo; THE MANILA CHRONICLE, 12 Sep 86).....	54
Labor Minister Claims Declining Number of Strikes (BUSINESS DAY, 12 Sep 86).....	56
West German Telecommunications Deals Reviewed (Geselle J. Militante; BUSINESS DAY, 12 Sep 86).....	58

VIETNAM

MILITARY AFFAIRS AND PUBLIC SECURITY

Hue City Plugs Rice Consumption Loopholes (NHAN DAN, 29 Jul 86).....	60
Source of Income for Building House Questioned (Tien Van, Viet Tri-Vinh Phu; LAO DONG, 19 Jun 86).....	61

INTERNATIONAL RELATIONS, TRADE, AND AID

Contrasting Styles of Officials, Visiting French Businessman (Vu Lam; LAO DONG, 19 Jun 86).....	63
--	----

PARTY ACTIVITIES AND GOVERNMENT

Congresses To Streamline, Rejuvenate Party Committee Ranks (NHAN DAN, 28 Jul 86).....	65
Party Member Criticized for Lavish Life-Style (Nguyen Trung; LAO DONG, 19 Jun 86).....	69
Many Communist Youth Projects Considered Mistitled (Luong Van Khao; TIEN PHONG, 24-30 Jun 86).....	70
Youth Food Stand Loses Customer Confidence (Xuan Ba; TIEN PHONG, 24-30 Jun 86).....	72

ECONOMIC PLANNING, TRADE, AND FINANCE

Merchants Said Misusing Business Association Principle (Viet Dung; TIEN PHONG, 24-30 Jun 86).....	74
--	----

AGRICULTURE

Strict Control of Land Urged (Editorial; NHAN DAN, 31 Jul 86).....	76
---	----

Tea Cooperative Avoids State Obligations (NHAN DAN, 29 Jul 86).....	78
--	----

Rubber Plantation Increases Output (QUAN DOI NHAN DAN, 11 Aug 86).....	79
---	----

Forest Fires Causing Considerable Destruction (NHAN DAN, 29 Jul 86).....	80
---	----

Briefs Illegal Use of Land	81
-------------------------------	----

HEAVY INDUSTRY AND CONSTRUCTION

Industrial Development in Nam Bo Districts Discussed (Dinh Phien; NONG NGHIEP, 5 Jul 86).....	82
--	----

Lam Thao Superphosphate Plant Described (Chu Dai Cuong; TIEN PHONG, 24-30 Jun 86).....	85
---	----

Increased Autonomy Spurs Cement Enterprise Development (Nguyen Dan Quyen; QUAN DOI NHAN DAN, 4 Aug 86).....	86
--	----

TRANSPORTATION AND COMMUNICATIONS

Sea Transportation Chief Requests State Policy Changes (Tran Nhon; QUAN DOI NHAN DAN, 8 Aug 86).....	88
---	----

Coal Losses During Shipping Noted (Pham Van, et al.; NHAN DAN, 31 Jul 86).....	90
---	----

HEALTH, EDUCATION, AND WELFARE

Press Criticized for Ineffectiveness (Thai Duy; DAI DOAN KET, 18 Jun 86).....	91
--	----

BIOGRAPHIC

Information on Vietnamese Personalities.....	95
--	----

BURMA

NON-COMMUNIST REBELS FORGE TIES WITH BCP

Bangkok THE NATION in English 7 Sep 86 p 10

[Article by Pratyā Sawetvimon]

[Text]

THE majority members of a non-communist rebel organization, comprising nine ethnic groups of armed Burmese minorities, have agreed to forge a military co-ordination with the Burma Communist Party (BCP) in their struggle against Rangoon.

Early this year a delegation of the organization, known officially as the National Democratic Front (NDF), trekked through the Burmese jungle to the BCP headquarters at Pang Hsang in northern Burma to meet the BCP central committee.

Preng Seng, leader of the Kachin Independence Army (KIA) who led the NDF team comprising representatives from the Kachin, the Karen, the Shan, the Mon, the Pa-o, the Paluang, the Arakan, the Karenni and the Wa armed minorities, signed the military co-ordination agreement with Ba Thein Tin the 78-year-old BCP chairman on March 24, informed sources said.

The agreement, however, was later opposed by Gen Bo Mya, the Karen National Union (KNU) leader, in a two-week-long NDF meeting which was held last month at the Karen headquarters of Manerplaw along the Burmese-Thai border opposite the Thai northern province of Mae Hong Son.

The so-called "Presidium Emergency Meeting" was aimed to discuss a proposal to form a military alliance with the BCP which was also repudiated by the KNU leader who is concurrently the NDF chairman.

Though the alliance proposal was turned down by the meeting, the majority of the attending NDF members accepted the co-ordination agreement, previously made with the Burmese communist movement.

The sources said that despite Gen Bo Mya's opposition, representatives from the eight rebel groups of the KIA, the Mon National Liberation Army (MNLA), the Wa National Army (WNA), the Pa-o National Army (PNA), the Shan State Army (SSA), the Paluang State Liberation Army (PSLA), the Arakan Liberation Force (ALF), and the Karenni Army (KA) later ratified the agreement.

The meeting turned down a proposal to combine forces with the communist insurgents, however, the majority NDF members agreed to co-ordinate militarily with the BCP.

"To support the military operation of both sides against the Burmese government forces, the BCP and the NDF rebels might launch the attacks at the

same time but on different targets," said a NDF official.

The agreement, said the sources, allows the BCP insurgents to operate in the NDF-established northern and central resistance regions along the Burmese frontier.

The northern resistance zone is controlled by the joint command of the KIA, the SSA and the PSLA guerrilla forces while the KA, the PNA and the WNA rebels are responsible for guerrilla and subversive activities against Rangoon's forces in the central frontier region.

HOWEVER, the NDF-controlled area in the south, which is under the charge of the joint command of the KNU, the MNLA and the ALF, is off-limits to the BCP fighters due to the KNU opposition to the agreement.

"Gen Bo Mya does not accept the BCP because of a dispute between the KNU and the communist insurgents in the past," said the NDF representative who declined to be named. "The Karen leader still does not trust the BCP," he added.

The representative said the KNU and the BCP rebels fought against each other several years ago because of ideological conflict. He said the BCP at that time appeared "arrogant" because of its arms and moral support from China.

The NDF official said that since China halted her support to the Burmese communist insurgents about seven years ago, the BCP has become weaker militarily. "It currently cannot afford to be as arrogant as it was in the past," he said.

According to the sources, it is estimated that about 12,000 BCP armed guerrillas currently operate in northern and northeastern Burma and the movement is considered the biggest Burmese rebel group.

The reluctance by the NDF members to combine forces with the communist rebels stemmed

from the fear among some groups in the non-communist front that the NDF would be dominated by the BCP if the plan materializes, the sources said.

The NDF rebels contended that they have no fear about being dominated because the number of the whole front's armed guerrillas is much larger than those of the BCP.

"However, the military co-ordination was accepted by the majority of the front members," said the NDF official who attended the meeting. He said the KNU, which is a strongly anti-communist Christian group, is the only party which opposes the co-ordination with the BCP.

"The Karen opposition did not make any changes to the agreement since the majority members of the NDF congress accepted it anyway," said the NDF representative.

The KNU and the KIA are said to be the strongest forces in the non-communist front. They are estimated to have about 7,000-10,000 armed fighters each.

"Since the co-ordination agreement was endorsed by the majority members, the KNU opposition could not be accepted," said the NDF official. "The single party can not represent the whole front," he added.

THE official said the front's military co-operation with the BCP may develop to the stage of forming an alliance in the future.

"However, the communist insurgents have to first assure the NDF members that they believe in the future federal states based on self-determination among the ethnic minorities in Burma," said the rebel official.

The non-communist rebels, however, admitted that the NDF is still a "loose" organization. "Our different ideas and some 'technical'

problems are still our main obstacle to achieve our goal of solidarity in the front," he said.

The NDF representative said the front's congress has been trying to improve the co-operation among its members. "We try to meet more frequently to harmonize our different ideas," he said.

He disclosed that each minority rebel group in the NDF is also attempting to merge some minor factions within itself in order to strengthen its armed force.

However, the sources said most of the minority rebel movements still face the problem of factionalism though they have been waging an insurgency war against the Burmese central government for almost 40 years.

The NDF official said the front's rebels will at the end of

this year or the beginning of next year start a new campaign of guerrilla and subversive activities against Rangoon's forces.

He also disclosed that the NDF congress early this year refused to accept a small armed minority group called "Nagas" into the front.

According to the official, a few hundred Nagas minority rebels usually operate in the Burmese border area with India. He said the refusal stemmed from the fact that the Nagas minority ethnic people live mainly in neighbouring India while only a small number of them are in Burma.

Meanwhile, another source reported that the BCP insurgents have been lending support to a faction in the WNA which is battling the Shan United Army (SUA) guerrillas of notorious narcotics kingpin, Khun Sa.

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CSO: 4200/1446

KIRIBATI

TABAI REJECTS SOVIET SPY THREAT, MAINTAINS FISHING AGREEMENT

Port Moresby PAPUA NEW GUINEA POST COURIER in English 8 Sep 86 p 2

[Article by Angwi Hriehwazi]

[Text]

WILL Russian fishermen in the Pacific be spies as well?

Answer: A complete nonsense. That is according to Kiribati President Jeremiah Tabai.

Pro-western countries in the Pacific, including Australia and New Zealand, have expressed their opposition to Kiribati's fishing agreement with the Soviet Union.

They argued it would give the Russians the opportunity to do other things as well.

That fear was "all nonsense", President Tabai said on arrival in Port Moresby on Friday.

But he said: "I have no way to check the Russians in what they are doing. But I take the view that they can do whatever they want without a fishing agreement."

"The argument that we are giving them the first opportunity to do the spying is nonsense to me. It just doesn't make sense and that is why I am car-

rying on with my deal with the Russians," he said.

The president is here to give the keynote address at the Waigani Seminar, which started yesterday. He was met on arrival by Foreign Affairs Minister Mr Vagi.

President Tabai said he did not know if the Americans were now interested in helping in the development of his country. "That is a question the Americans have to answer themselves."

"Whether they are interested or not, we will continue to do what we are doing for the national interest."

Asked if there had been any pressures applied by the two rival superpowers, he said his government had had talks with the American Ambassador.

"My relations with America are very good. I have no complaints," he said.

His 12-month fishing deal had earned his country K1.4 million

— a far better deal than that offered by the Americans.

"Americans offered a deal we just couldn't accept," he said. He also revealed they were renegotiating another fishing agreement with the Russians as the last agreement had expired.

"I would like to have an agreement if it is possible, but not on any terms. It has to be on the terms we agree will suit our interest."

Asked if he would recommend PNG to enter into a similar agreement with the Russians, he said: "I leave that to your people to decide."

President Tabai described as "exaggeration" fears expressed in PNG that arms could be smuggled through to the OPM from Kiribati and Vanuatu.

PNG's Primary Industry Minister, Sir Iambakey Okuk, expressed the fear last month.

The president also said Kiribati would not become another Cuba.

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CSO: 4200/1446

LAOS

POST THAI ELECTION COMMENTARY GOES ON, U.S. SCORED

'Talk' Cites Phichai on Relations with Laos

Vientiane PASASON in Lao 7 Aug 86 pp 3, 4

[Text] As we know, at the beginning of the year, students, scholars, members of Parliament, business people and other classes of people in Thailand actively demanded peace, and in particular demanded that the government improve relations and trade with the LPDR as well as with other socialist countries.

The Research Institute of Chulalongkorn University in Bangkok organized a seminar about historical, cultural and economic Thai-Lao relations on 21 June 1986 as part of its 1986 Year of Peace Project. Forty intellectuals, historians, reporters, students and others participated in the seminar. The seminar concluded that the Mekong River should be a territory of peace in accordance with the 1979 Lao-Thai joint treaty and urged both sides to be sincere in their communications with each other and also to express their intentions to build a friendly atmosphere and hold talks to solve problems by diplomatic means. On 25 June, Mr Phichai Rattakoon, acting deputy minister of Foreign Affairs, as head of the Democratic Party--which won the most parliamentary seats on 27 August--also urged the Thai government to trade with the three Indochinese countries. In addition, the struggle of the Thai people is continuing in various forms, such as demonstrations and demands for justice as shown in many areas. For example, songs, petitions, leaflets and demonstrations by farmers, students, workers, intellectuals and other classes of people have been spreading continuously, such as after the election and during the preparations for the formation of the new government.

These movements also show that patriotic and peace loving Thai people are struggling to fight peacefully for their bona fide interests and for friendly relations with neighboring countries, which means for peace for the Thai people themselves.

Because this righteous struggle and the peace movement in the country are growing, the Thai people will gain victory for sure. The Lao people hope that the peace movement will force Thai officials to see at least the pressing demands and needs of the Thai people and also force them to accept the reasonable propositions of Laos, which are contained in a letter of Mr Phoun Sipaseut, minister of Foreign Affairs, dated 1 June 1985. These were presented to the government of delegation that met with him for talks to improve and normalize relations between Laos and Thailand.

Commentary Scores U.S. Bases, 'Attacks' on PRK

Vientiane PASASON in Lao 7 Aug 86 p 4

[Excerpts] According to international news reports from the last week of July to the beginning of August, Thailand has violated the sovereignty of the PRK up to 353 times in employing heavy artillery to bombard areas of Battambang Province and Pothisat Province and N-19 aircraft to intrude into Kampuchean aerial territory to fly over and spy on the Amphin, Dang Kum, Korn Liang, Ta San and Samatdeng areas and also over maritime surfaces in the Koh Kong and Koh Tang areas. Such open violations of Kampuchean sovereignty by Thai rightist reactionaries are being undertaken under the command of American imperialists, who are conspiring with Beijing reactionaries to create tensions, destroy the peace and block and destroy the tireless attempts of the entire populace in this region, who wish to make Southeast Asia a region of peace, stability and cooperation. As we all know well, the people of the three Indochinese countries, Laos, Vietnam and Kampuchea, as well as all nations in this region, have been doing everything they can to ease tensions, develop and pave the way for peace and negotiations between the two blocs of Indochina and ASEAN, with the aim of solving the problems in this region peacefully.

The resolutions of the 10th-11th and 12th meetings of the foreign ministers of the three Indochinese countries stipulated clearly the unchanged stand of Laos, Vietnam and Kampuchea toward those problems. So have the tremendous and productive attempts of the three Indochinese countries, primarily Vietnam, in developing an atmosphere to ease tensions in this region through peaceful means. These have been prominent in this region; for example, mass protest movements to fight for the pull out and elimination of American military bases in the Philippines; supportive opinions regarding the development of a nuclear free zone by Indonesia, which is one among many countries in this region and the world that support the proposals of the USSR about guaranteeing and preserving peace and stability in the Asia-Pacific region. These proposals appeared in a speech by Mikhail Gorbachev, the secretary general of the Communist Central Party of the USSR, at Vladivostok on 28 July. All these confirm clearly that the pressing and needed demands of the people in this region are nothing else but peace, stability and real cooperation. But what a disappointment that the way to the ultimate goal has been blocked and destroyed by the hands of American imperialists and their henchmen. In addition to the deployment of troops and improving various military bases, the American imperialists have also forced the ASEAN countries, primarily Thailand, to enter the orbit of their arms race. Thailand currently has accepted to do everything under Washington's command. Nevertheless, the old schemes of the American imperialists and international reactionaries have all been against the pressing and needed wishes of the entire populace in this region and the world. These schemes have not only blocked and destroyed Kampuchea's revolution and the revolutions in the three Indochinese countries, but are also a threat to peace in this region. So to step on the road to making Southeast Asia a region of peace and stability and real cooperation, it is necessary first of all to promptly destroy these bellicose plans and the arms race of the American imperialists, who have been conspiring with international reactionaries in this region before we can eliminate the threat to peace and stability in Southeast Asia.

Article Scores ASEAN, PRC, Thais

Vientiane PASASON in Lao 8 Aug 86 p 3

[Excerpts] On 8 August 1967 in Jakarta, the capital of Indonesia, a signing established the ASEAN bloc, which was aimed at promoting and expanding economic and cultural relations between the five Southeast Asian countries of Indonesia, Malaysia, the Philippines, Singapore and Thailand. But the pulling of the American imperialists and other reactionary forces has diverted the real work of ASEAN from its stipulated principles.

ASEAN presently has 6 countries; Brunei joined as its sixth member on 7 January 1984. ASEAN has a total area of 3,057,516 square kilometers and a total population of 274 million. It was created during the period when the American imperialists were expanding their war of aggression on the three Indochinese countries. This ASEAN group was formed to implement a complex scheme of the United States in its military and political strategies for improving and opening military bases and broadening its influence in Southeast Asia.

Everyone knows well that the United States has expanded its conspiracy with Thailand. In 1986, the United States increased military aid to Thailand by 5-10 percent in selling 12 F-16 aircraft to Thailand. In addition, the United States increased its budget for the Philippines to US\$180 million "for restoring the Philippine economy" and increased the level and scope of the "Gold Cobra military exercise" involving American and Thai soldiers. Weinberger, the US minister of Defense, visited Southeast Asia and showed up at the meeting of the ASEAN ministers of Foreign Affairs. He brought some "gifts to help," which confirms the aim of the United States to pull all the ASEAN countries to join their military planning, such as increasing military budgets, improving the American bases in the Philippines, agreeing to build reserve weapons storehouses in Thailand and others. These actions run counter to the aims of ASEAN and against the wishes for peace and stability of the people of Southeast Asia.

As for Beijing, it is trying to coerce and pull in all the ASEAN countries to support and assist the scattered troops of Pol Pot and other Khmer reactionary groups. It is also trying to interfere in the internal business of the ASEAN countries.

But the people of the ASEAN countries and progressive opinion in them are not standing still. For example, opinion in Thailand is urging Bangkok power circles to have more interest to trade with European socialist countries and other neighboring countries as shown in the announcement of Mr Phichai Rattakoon, head of the Democratic Party, on 27 July during his campaign. In addition, Malaysia and Indonesia have firm principles that differ from Thailand's toward the conflicts in this region and they do not want themselves too tied up with China, which would create more confusion. The people of the Philippines still continue to demonstrate and protest to eliminate the US military bases on their soil. Malaysia also has announced a nuclear free zone. Indonesia has announced support for developing the Asia-Pacific region to be a nuclear free zone and a region of peace.

The new changes in Southeast Asia are creating conducive conditions for the lingering and difficult struggle of the people in this region to step into a golden era of peace, stability, friendship, cooperation and progress.

'Talk' Sees Continuing Thai Border Dispute

Vientiane PASASON in Lao 6 Aug 86 p 3

[Text] Talk about historic relations between Laos and Thailand is very lengthy. Some subjects and some times it makes my Lao face flush unconsciously, and it makes the face of each Lao glow with unforgettable bitterness.

On 29 July, Free Asia Radio, voice of the Ministry of Foreign Affairs, broadcast a commentary about Thai rightist reactionaries using so many government soldiers to intrude and occupy the three Lao villages in Pak Ly, Sayaburi Province. This commentary, in addition to smearing and blaming the good intentions of Laos--which has employed all its intelligence and efforts to protect the nurture relations between the two nations of Laos and Thailand--also spoke about the border areas between the two countries where no problems have arisen because the historical borderline was drawn clearly. While mentioning this, Free Asia Radio stated that, "The Thai side has a map, which was published in 1976 and is based on aerial photography, which is a modern and certain method and to scale." It stated further that the ground must be surveyed and so on and so on because the historical border line specified is not correct, etc.

I do not know what the Thai people and the world populace think about this issue. Suppose officials of different countries want to take the territory of other countries, and they just redraw their country's maps, without the consent of anyone and then use military force to invade and occupy such land, just as the Thai rightist reactionaries have done to the LPDR and the Lao people on 6 June 1984. What would be the condition of the world if that were the case, because every country in the world, including countries that have a common border with Thailand, all have historical border lines?

The border line between Laos and Thailand in particular has been defined in detail and clearly. And there are historical documents that confirm this in detail, clearly and correctly in accordance with international law. Maps defining the border between Laos and Thailand that France and Siam compiled in 1904 and 1907 confirm that nobody can deny the validity of the border line between Laos and Thailand. Various documents between Laos and Thailand, including 2 treaties that the governments of the LPDR and Thailand signed in 1979, were based on that historical border line.

These reasons confirm clearly that Laos and Thailand have never had problems with their border before or at present. The intrusion and occupation of the three Lao villages by Thai rightist reactionaries actually are an invasion. They do not have any reasons for explaining this action. As for the new map that was drawn by one side and used to claim territory of a neighboring country, it is a scheme of Thai hegemonists, which accords with the obscurantism of the Beijing expansionists and hegemonists who hope to expand their

territory to Southeast Asia. If Thai rightist reactionaries continue to implement the schemes of the Beijing reactionaries noping to swallow the territory of neighboring countries like that, it is certain that they will not only violate international law but also cause turmoil to the Thai people and other peoples of other nations near Thailand and in the entire region.

'Talk' Cites Northeast Thais' Lao Roots

Vientiane PASASON in Lao 2 Aug 86 p 3

[Text] Esan or the northeastern part of Thailand is a vast region and has a larger population than the other parts of Thailand. This region has a rich heritage in art and literature, which is considered to be the most superior in Thailand, with many mo lam (chanters of Lao lyrics), country music and city singers, and stars famous in Thai show business at the present time.

But what a pity that instead of preserving and keeping this heritage intact for the next generation, the art and traditions of Esan are all being attracted to chase after "the modern era" or the rotten society of Thailand. Because of their love for their heritage of many centuries, the children of Esan also are opposing such actions in many forms and ways such as composing songs with nationalistic lyrics and writing poems and commentaries to point out the crime of destroying Esan art and literature, such as in the 2-8 July issue of SU ANAKHOT magazine. Mr Bounma Phoupheng also has written well reasoned criticism. For example, he states that a currently playing movie, "The Queen of Weeds" by the Sibounheuang Film Company, destroys indigenous art. In this movie there is a hint of Thai hegemonism, which seeks to stimulate and encourage changes in the Esan style of singing by using a character who expresses his opinion that, "Esan plays cannot compete with modern entertainment, such as movies or country music... because mo lam use too much Lao language, which makes it impossible for many people to understand it. Therefore, we must employ the Thai language without damaging the mo lam art...."

Mr Bounma Phoupheng argues back against this opinion that, "It is surprising if mo lam, which is the art and literature of the Esan people and the Lao people, must employ Thai language during the show. How pitiful it would be if these expressed ideas can influence mo lam or the native songs of Esan and other arts. Then what cultural characteristics will stay with indigenous arts?"

The struggle for the artistic and cultural traits of Esan is a justified one and will doubtless win.

Commentary Sees Hope for Change in Thailand

Vientiane PASASON in Lao 15 Aug 86 p 4

[Text] According to international news reports from Bangkok, Thailand, a few days after the election a grouping of various political parties that succeeded in the election--meaning those that got the most seats in Parliament and that are pro-Prem--are once again getting ready to form a coalition

government in Thailand and already have nominated Mr Prem Tinsulanon as prime minister. Presently, even though internal conflicts have arisen about power and benefit sharing among the various parties during this preliminary stage, the real situation is that they have been able to compromise because there is basically nothing new. What you can call new about this round of power and benefit sharing among the various parties in Thai circles and what might be a little bit different is that it includes certain parties which formerly had no share of power, but in this round will have a fair share.

However, there might not be anything basically new to notice in domestic and international politics from the various parties forming this new Thai government. We can say that they are the same old faces. The important thing that observers and the Thai people knew prior to the election is that these groups of people are ready to implement old policies. This means that those newly elected or nonelected persons who will be in the government will still be Gen Prem Tinsulanon and those parties who support his policies.

Therefore, the new Thai government surely will not solve the pressing problems and life and death issues for the Thai people. Those parties who are forming this Thai government will not hear any party or individual mention forbidding the construction of reserve storehouses belonging to the United States on Thai soil. No party will mention the intensive and urgent American-Thai military exercises underway in the Gulf of Thailand. No one will mention the plight and death rate of Thai children from starvation and the slum problem and ways to stimulate or improve the price of rice and agricultural products, which now are dipping. That means there have been no changes in the government policies of this new Thai coalition government for solving domestic problems of the total involvement in the bellicose warlord policies and arms race of the United States, which is conspiring with an expansionistic and hegemonistic Beijing in generating tensions and a war like atmosphere in order to implement its obscurantist schemes in Southeast Asia.

Therefore, the new Thai government will not solve the life and death problems inside the country and will not solve the problems with neighboring countries, either. Problems with neighboring countries will not be improved; on the contrary, they will become more violent as long as the Thai government does not change its policy of implementing the commands of the American imperialists. They wish to use Thailand as an arms storehouse and their base again and as long as the Thai government conspires with the Beijing international reactionaries and aims to carry out the arms race scheme and mobilize and deploy troops in order to oppose the revolutions of the three Indochinese countries. This is a violent threat to peace and stability in Southeast Asia and the world.

'Talk' Sees Few Thai Changes

Vientiane VIENTIANE MAI in Lao 15 Aug 86 p 2

[Text] At this point, the new Thai government or what the Thai public calls the "Prem 5 Government"--which means that Prem Tinsulanon has formed a government which he heads as prime minister for the fifth successive time--

consists of 45 ministers and deputy ministers appointed by Prem from four political parties, the Democratic Party, Chart Thai Party, Social Action Party and the Rajadorn Party.

News reports state that Prime Minister Prem Tinsulanon has reserved for himself the portfolios for Defense, Interior and Finance and has completed appointing ministers. This has bitterly disappointed all parties in the government because prior to joining the government, all the political parties that joined sought ministerial positions.

As for the Ministry of Foreign Affairs, it is a great satisfaction for the Social Action Party because Gen Sitthi Sawetsila, who claimed his old power, got his former position as he wished.

Public opinion about the formation of the Prem 5 Government, particularly in those parties who joined the government, seems to be in conflict and confused. Some political party members have predicted that this government will last not more than 2 years. Mr Phichai Rattakoon, head of the Democratic Party which has the most seats in Parliament, stated his opinion that his party is very disappointed that members of it were not nominated to head important ministries, such as the Ministries of Commerce, Interior, Finance, Economics and Agriculture, that he himself was hoping for the position of prime minister but was disappointed. He has now announced publicly that he will be prime minister, whatever it takes to become it.

The Rajadorn Party also expressed its feelings openly, that a number of party MPs have proposed joining an opposition party to oppose the government. Mr Kukrit Pramoj, who holds the reins or in other words, is the one behind the scenes for the Social Action Party, also openly criticized Prime Minister Prem. He said that, "I do not agree with Prem being the prime minister once again because the 4 previous times that the government was under the leadership of Gen Prem Tinsulanon, it did not help develop any new faces nor was it advantageous to the country at all." He said that General Prem should step aside for a new person to enter and run the country, "which would be more appropriate."

The general public and other opposition political parties not in the government have different opinions. But all the opinions are similar that the "prime minister's position should be an elected one." Those political parties with MPs, all those in the government and persons outside government circles opined concerning the formation of this government of Prime Minister Prem Tinsulanon the following:

"All those who are ministers now are the followers and those who favor Prem. Even though some of those in the government are new faces, Prem's political policies are old. Therefore, Prem 5 Government implies deterioration in the economy, turmoil in society and politics, the threat of inflation, unemployment and the plight of farmers who cannot sell their harvests and other problems. In conclusion, the people are the ones in trouble. The people must struggle and fight on."

Experts on Thai politics have stated that the following is behind the return of Gen Prem Tinsulanon as prime minister a fifth time: "Prem has returned to the prime minister's position once again because of backing from influential persons, especially support from loyal Army officers, in particular Gen Chavalit Yongchaiyoot, the Army's commander-in-chief, whom Prem put in place of General Athit Kamlang-ek the beginning of this year.

In conclusion to summarize, the present political situation in Thailand following the election of the new government is very confusing. The government has not yet run the country but has been blown about by violent storms. This means that stability and the road ahead of this government will lack the confidence of the general public and will not last that long, just as some Thai politicians have predicted.

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CSO: 4206/143

MALAYSIA

LEE KIM SAI CLARIFIES STATEMENT ON MCA DEFEAT

Kuala Lumpur UTUSAN MALAYSIA in Malay 19 Aug 86 pp 1, 6

[Article by Idzan Ismail: "Kim Sai: MCA Blames Implementation, Not the NEP"]

[Text] Kuala Lumpur, 18 August--Today the MCA [Malayan Chinese Association] explained that the party did not blame the New Economic Policy (NEP) for the party's serious defeat in the recent general election but the ways in which its targets were being implemented.

Datuk Lee Kim Sai, the MCA secretary general, clarified that the Chinese fully supported the aspirations of the NEP for restructuring the economy to aid ethnic groups and eradicate poverty, but they were frustrated by the "overzealousness of government officials" in wrongfully implementing the NEP targets in favor of the bumiputera [indigenous people].

"Do not misunderstand us (the MCA). We do not blame the NEP as a whole for the MCA's serious defeat. It was not that the UMNO [United Malays National Organization] or government leaders failed to hear the MCA's appeals for consideration of the Chinese people's interests but the excessive zeal of the civil servants in implementing the NEP," he said during a special interview with UTUSAN MALAYSIA today.

At that meeting, UTUSAN asked him to comment on the statements made by several MCA leaders who were offended that the UMNO felt the party lost because of the NEP and because the Chinese questioned the credibility of the nation's leadership.

Several days ago, Mr Thamrin Ghafar, a UMNO Youth Organization Executive Committee member, decried the polemics about the MCA charge, and last night Haji Daud Taha, the deputy minister of public enterprises, reminded the MCA that the NEP should not be used as an excuse for the defeat of its many candidates in the election.

Asked whether the MCA should have made such a comment when the UMNO had gained the people's confidence by winning all seats on the Malaysian Peninsula, Datuk Lee responded, "Of course, the MCA must take full responsibility for its defeat, but it cannot give the impression that it personally can solve the problems of the Chinese because behind us is a big brother, the UMNO."

"Most things must be approved by the government. We must face reality: who is the chief minister and who is the prime minister," he said.

Datuk Lee, who also is the minister of labor and manpower, was confident that if the UMNO would help ease the Chinese community's frustration, the MCA would regain the confidence of the Chinese.

He reiterated the MCA's admission that the party's defeat was caused by its internal crisis of more than a year, the economic recession and the resultant loss of jobs, and also the tendency of the Chinese to lean toward the DAP [Democratic Action Party].

"If the idea that the UMNO is Malaya and Malaya is the UMNO is deeply rooted among Malays, the Chinese do not feel that the MCA is China and that China is the MCA. Rather, the Chinese, in general, feel the MCA does not fight hard enough for their interests," he added.

"As a whole, the Chinese are frustrated; where shall I go? They admit it is difficult to obtain tenders, and if they want to register a company for trading purposes they must register the company under a bumiputera's name. How are we going to face the Chinese with a problem like this?

"Irregularities in the implementation of certain aspects of the NEP made the Chinese feel that the NEP restricted them from taking advantage of any opportunities that arose. Usually the Chinese blamed the NEP if they failed to obtain a license," he said.

During the interview, Datuk Lee was asked whether the fate of non-Malay leaders had been decided by Malay voters and about the DAP influence, the integrity of Mr Tan Koon Swan, the MCA president who now faces trial in a Singapore court, the MCA's aspirations in the National Front, and cooperation with the Gerakan [People's Action Party of Malaysia] (the full interview will be published later).

Regarding Mr Tan Koon Swan and Datuk Samy Vellu, the MIC [Malayan Indian Congress] president, who won because most of the voters were Malays, Datuk Lee felt this was a dilemma for non-Malay leaders who found it hard to win in Chinese districts.

However, he explained, the DAP should not "hoot and howl" about the 1 million supporters they had in the election when they won only 24 of the 66 contested parliamentary seats.

"The MCA was not given enough seats. If we had competed for 66 seats like the DAP, we also could have obtained more than a million votes," he said.

Regarding DAP's statement of confidence that it would be able to govern the nation at some future date, Datuk Lee said that was just hot air because the party would not be able to govern the nation without Malay support just as the communists could not take Malaysia without Malay support.

Datuk Lee also voiced the MCA's frustration. Even though the prime minister gave it representation in the cabinet, the party was still unable to obtain

an important portfolio, such as finance or trade and industry, as it had in the past.

"We are notifying the Chinese that we shall use to the fullest extent the cabinet offices given us, not just for the sake of the portfolio but as decision makers. However, the Chinese still feel the MCA does not fully represent them. That is our problem."

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CSO: 4213/194

MALAYSIA

FUTURE OF MCA-GERAKAN JOINT COUNCIL VIEWED

Kuala Lumpur UTUSAN MALAYSIA in Malay 21 Aug 86 p 5

[News analysis by Idzan Ismail: "MCA-Gerakan Council Now Just 'Does Not Want to Live, Does Not Want To Die'"]

[Text] Kuala Lumpur, 20 August--The Chinese supporters of the MCA-Gerakan [Malayan Chinese Association-People's Action Party of Malaysia] Joint Council, formed to cultivate mutual understanding between the two component parties of the National Front, appear to be moving toward a dead end, or, more precisely, "they do not want it to live, they do not want it to die."

The statements made by the leaders of the two parties several days ago clearly show that there is no unanimity in the Gerakan or the MCA parties on reviving the council that was launched on 1 April.

In a special interview with UTUSAN MALAYSIA 2 days ago, Datuk Lee Kim Sai, the MCA secretary general, explained that closer cooperation on maintaining the joint council depended solely on whether both the Gerakan and the MCA needed it.

"If it is needed, we must cooperate more closely. In my view, the MCA-Gerakan Joint Council is a good thing," he added.

Datuk Dr Lim Kheng Yaik, the Gerakan president, also responded that he would agree to hold a meeting of the joint council on the condition that the targets were realistic and that the goal was to form an executive committee.

If this were not the case, explained Datuk Dr Lim, who also is the minister of public enterprises, he had no time for the meeting because he was busy carrying out the duties of his ministry.

The joint council issue arose from a statement made by Datuk Dr Lim that the Gerakan was waiting for a response to a May letter requesting that a meeting of the council be held.

When asked about this, Datuk Lee said, "If it is true that an invitation had been issued, this is a positive step made with good intentions."

Strangely enough, both parties were asked who actually wanted the meeting to be held.

"We do not know who called for the meeting or who wanted the meeting to be held," both leaders said.

The Gerakan reportedly wanted to hold a discussion on the matter before the election but was frustrated by the MCA response that the party then had no time for such a meeting, and this the Gerakan viewed as proof that the MCA was not serious about and was not interested in having a joint council.

In the interview with UTUSAN, Datuk Lee said, "Do not talk about cooperation if there was no cooperation during the election period. This is useless.

Asked whether it was true that it was the first time in history that the Gerakan and the MCA had cooperated in an election, he responded, "It is true. MCA and Gerakan relations were closer in the past election but such cooperation was for external display only. I said externally only."

According to Datuk Lee, there are important differences between the MCA and the Gerakan. He cited the example of what happened in his district (Hulu Selangor). The Gerakan never gave support.

"However, I would rather stress that mutual aid between component parties of the National Front is a good approach. Only that," he explained, saying he did not need to say anything further on this matter.

Based on this scenario, political observers feel that it is not possible to achieve better understanding between the two parties for their aim of forming a joint council as proposed last year by Datuk Dr Neo Yee Pan, then MCA vice president.

MCA sources also said no priority was being given to the MCA-Gerakan Joint Council because this was a transition period for the leadership and emphasis was being placed on closing ranks in the MCA following its leadership crisis.

In addition, the Gerakan reportedly was also confronting its internal problems which did not permit it to give priority to MCA-Gerakan cooperation.

It should be said that the Gerakan's history shows that no mutual understanding can be achieved between the two parties. The Gerakan is an offshoot of the MCA, and most of its leaders are former members of the MCA leadership who became dissatisfied with that organization.

Will the joint council die without being given a decent burial? Its fate rests in the hands of both parties.

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CSO: 4213/194

MALAYSIA

ECONOMIC DATA SHOW DECLINE IN 1985

Kuala Lumpur BUSINESS TIMES in English 26 Aug 86 p 1

[Article by P. Gunasegaram]

[Text] LATEST statistics indicate that the economy declined in real terms in 1985, chief executives of commercial banks, merchant banks and financial institutions were told yesterday at a briefing by Bank Negara officials.

Sources said Bank Negara impressed on those attending that the current economic position is not good and that the economy is expected to grow by just one per cent this year and by two to three per cent next year.

The briefing is a prelude to more detailed discussions by Bank Negara separately with the chief executives of commercial banks, merchant banks and finance companies.

Commercial bank heads are expected to meet Bank Negara today as part of the annual conference of the central bank with the financial institutions while finance company heads are expected to meet Bank Negara tomorrow and merchant bank heads on Friday.

Bankers expressed surprise that there was a decline in the economy last year, especially since Bank Negara in its annual report released at the end of March had put real economic growth at 2.5 per cent, which had been revised downwards from five per cent earlier.

In the annual report, Bank Negara said that while real economic growth (as measured by the increase in gross domestic product at constant 1978 prices) last year grew 2.5 per cent, the income earned from producing more goods and services (gross national product at current prices) declined by 2.7 per cent.

The latest statistics indicate that there has been a decline in the sum total of goods and services produced domestically and that there will be just a one per cent increase in production this year.

The one per cent growth figure for this year means that the central bank has revised its projections downwards. In the 1985 annual report, Bank Negara had predicted that the real economic growth this year will increase by between 2 and 2.5 per cent while the current value of goods and services produced this year will be lower by between 2.5 and 3 per cent.

Sources said that Bank Negara officials also told the chief executives of the financial institutions that there has been deterioration of the deficit in the current account of the balance of payments situation and the deficit in the government budget, commonly known as the twin deficits.

The current account deficit refers to the combined deficit position of the trade in goods and services which has to be met by inflows of funds through borrowings or through foreign investment or both.

The budgetary or fiscal deficit refers to the deficit between income of the Federal Government and its total operating and development expenditure.

Bank Negara officials told the chief executives of the financial institutions that both the current account deficit of the balance of payments and the fiscal

deficit are expected to worsen this year and next year.

According to Bank Negara, remarkable progress was made last year in reducing the twin deficits with the financing deficit of the Federal Government can more effectively contribute to the growth of the economy.

This may include discussion on procedures for rehabilitating bad loans and the ruling, now informally withdrawn, of suspending recognition of interest income on loans which have not been repaid on schedule.

declining to \$3 billion or 4.1 per cent of GNP from 6.4 per cent in 1984 and 17.3 per cent in 1982.

It added that the current account deficit declined to \$2.3 billion or 3.1 per cent of GNP in 1985 from 5 per cent in 1984 and 14.1 per cent in 1982.

The sources said that Bank Negara told the chief executives these economic problems are serious and must be addressed. It is expected that Bank Negara, over the next few days, will discuss with the financial institutions ways through which they

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CSO: 4200/1449

MALAYSIA

JAPANESE FIRMS INCREASING COMMITMENTS

Kuala Lumpur BUSINESS TIMES in English 25 Aug 86 p 1

[Text]

SEVERAL Japanese manufacturers have made firm commitments to invest in Malaysia following the erosion of their competitiveness as a result of the rising value of the yen, a Japanese banker said yesterday.

Mr A. Hirano, general manager of the Bank of Tokyo, said they comprise existing Japanese companies in Malaysia and those coming for the first time.

Along with the investments, they will also bring in a substantial amount of new technology, he added.

The investments will run into millions of ringgit, said Mr Yujiro Shindo, managing director of the Kuala Lumpur office of the Japan External Trade Organisation (Jetro).

Jetro is the organisation which jointly promotes Malaysia's investment opportunities to Japanese businessmen together with the Malaysian Industrial Development Authority (Mida).

Mr Shindo said existing operations in Malaysia are also keen to expand since it is now more costly to procure materials from Japan.

According to his records, electronic parts producers have pledged to put in about \$8 million while a car components manufacturer is to invest \$3 million in Malaysia.

Apart from electronics and car components, the new investments will also cover the manufacture of household appliances, cables, air-conditioning systems, chemicals, pharmaceuticals, television sets, radios, hi fi systems, petrochemicals, plastic products, food items, decorative ceramic

figurines, bank vaults and safes and street vending machines.

Mr Hirano, who is also chairman of the public relations committee of the Japan Chamber of Trade and Industry, Malaysia (Jactim) said this shift towards Malaysia is prompted by the change in policy stance by Japanese manufacturers following the erosion of their competitive edge due to the higher yen.

In addition, the favourable investment climate in Malaysia has also played a vital role, he said, adding that some car parts manufacturers originally intended to invest in Malaysia but have held back their decisions pending the recovery of the domestic motor industry.

Sales of new passenger vehicles which averaged 80,000 to 90,000 units a year in recent years in Malaysia are expected to be less than 60,000 this year.

The greater propensity to shift, especially to Malaysia, is music to the ears of some Japanese outfits in the country as they are able to source more materials locally.

"I am all for the shift," said Mr H. Kosaka, managing director of Matsushita Electric Co (Malaysia), Melcom. "If this goes well, it will benefit Malaysian industry."

He said because of the rapid rise of the yen, local manufacturers have suffered a great deal because of rising material costs especially from Japan.

To cut down cost, Melcom has diversified its sourcing, although certain vital and sophisticated components have to be obtained from Japan.

— Bernama ES

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MALAYSIA

GROWTH RESTRAINTS REMOVAL ANNOUNCED

Kuala Lumpur BUSINESS TIMES in English 2 Sep 86 pp 1, 16

[Article by Azam Aris]

[Text] **THE** Government will modify and remove inhibitions of economic development and provide new incentives for investments, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"In the case of work permits, for example, factors such as the amount of capital brought in, export plans and transfer of skills will be taken into consideration.

"The Government shall be more flexible in issuing work permits according to the needs of the particular industry," he said at the annual dinner of the Association of Banks in Kuala Lumpur last night.

Dr Mahathir said the removal of certain conditions is necessary to ensure that it does not impede economic growth which is vital if there is to be equal distribution of wealth.

In this respect, he said, much controversy was generated by his statement in an interview with a foreign Press that the New Economic Policy (NEP) would be held in abeyance.

"The fact is that the NEP is based on growth and there are many facets to the NEP. Obviously if there is no economic growth then there will be nothing to distribute," he said.

The Prime Minister also said the NEP is not just about equity participation; it is equally important that job opportunities be evenly distributed.

He noted that in a situation where unemployment is rampant it is invidious to protect the interest of certain categories of investors at the expense of unemployment among workers.

Therefore, the Government will modify the NEP conditions regarding equity to implement the policy's stipulations regarding employment.

At the moment the Government is studying very specific conditions so that investors will not be left in doubt as to when and how the Government is prepared to forego equity participation in favour of jobs for Malaysians.

He urged bankers not to reject outright the proposed Companies (Amendment) Bill 1986 which is drafted to help save ailing companies. He said although the Bill in its present form is probably not acceptable, bankers should study it and make suggestions where necessary.

He said there is plenty of time before it is debated in Parliament. The Government drafted the amendment after studying similar legal provisions in the US, where it is known as the Chapter 11 Provision of the US Bankruptcy Code, in Europe and in Singapore.

Dr Mahathir also touched on rumour mongering and banking ethics which he considered as additional irritants which the country has to tackle.

He lamented that at a time when the country is

struggling to recover from an economic blight, there are banks which are making a fast buck at the expense of the stability of its economy.

Citing an example he said during the Hari Raya holiday a big foreign-owned bank tried to undermine the ringgit by predicting without any basis that the ringgit will be devalued by 18 per cent and sold forward some \$100 million.

"This is the second time that this trick has been tried. When Bank Bumiputera lost money, crooked Malaysian bankers were rightfully castigated. But silence will greet the manipulations by some of the world's powerful bankers.

"Those who come to the rescue of this bank should ask themselves whether they are doing a good turn or they are abetting unethical practice," he said.

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CSO: 4200/1449

MALAYSIA

BRIEFS

RICE SMUGGLED FROM THAILAND—Kota Baharu, Wednesday [20 August]—Datuk Haji Mohd. Noor Mohamad, chairman of the National Paddy and Rice Institute (LPN), said the government lost more than \$75 million [Malaysian dollars] a year because rice was smuggled into the country from Thailand. Nevertheless, to no little degree such smuggling cuts into the farmers' income here because the LPN plans on purchasing between 1.7 and 1.8 metric tons of paddy they produce each year. "However, the government takes smuggling seriously, and enforcement measures are being taken to counter it especially in areas near the border," he explained. Speaking to reporters in his office here today before paying a call on Datuk Haji Mohamad Yaakob, the chief minister, he said some 500 LPN Enforcement Unit and Smuggling Prevention Unit officers have now been stationed on the border to prevent smuggling. Datuk Haji Mohd. Noor did not deny the possibility that there might be a large group involved in smuggling rice through the Malaysian-Thailand border either by land or by sea. "This is based on evidence that a certain group is seizing vehicles of the LPN Enforcement Units to keep the smugglers' vehicles from being taken," he said. The LPN chairman also said the Air Control Units, which were formed 5 years ago and based in Kuala Lumpur have increased their surveillance of this activity. The LPN Enforcement Units also often make surprise inspections of licensed storehouses to ensure that no rice obtained from illegal sources is stocked in them. [Text] [Kuala Lumpur BERITA HARIAN in Malay 21 Aug 86 p 2] 6804

SABAH DEPORTS ILLEGAL IMMIGRANTS—Kota Kinabalu, Thursday [14 August]—The Sabah Immigration Office deported 2,221 illegal immigrants from this state in the first 6 months of this year. Mr Dosmy Ibrahim, its director, today reported that the majority of the illegal immigrants were Philippine citizens, many were Indonesians, and a few came from other countries. He said deportation of illegal immigrants would be carried out in phases in the entire state. "Those against whom this step was taken included persons who had no travel documents, whose visas had expired, or persons who had entered the state illegally," he said. Mr Dosmy explained that the arrest and deportation of illegal immigrants from this state would be done from time to time. BERITA HARIAN understands that there are some 300,000 illegal immigrants in Sabah at this time. Most of them are Philippine citizens. [Text] [Kuala Lumpur BERITA HARIAN in Malay 15 Aug 86 p 5] 6804

PAPUA NEW GUINEA

CHANGED ATTITUDE TOWARD AUSTRALIA NOTED

Sydney THE AUSTRALIAN in English 23-24 Aug 86 p 10

[Article by Claire Tedeschi]

[Text]

WITH more than half the population of Papua New Guinea under the age of 18, it is not surprising that the hitherto deferential attitude towards Australia is diminishing.

As far as the younger generation is concerned, PNG has always been an independent nation.

The period of Australian domination is as distant as the colourless text of a history book.

The attitude of PNG's leaders towards Australia is changing also.

When the Minister for Foreign Affairs, Mr Hayden, returned home after a visit to PNG last November, he expressed concern that the two countries were losing touch, that the Australian Government was not properly acquainted with the new generation of PNG leaders.

Two federal ministers and a parliamentary delegation have since visited PNG.

The Minister for Health, Dr Blewett, and the Acting Minister for Foreign Affairs, Senator Evans, were in Port Moresby last week. Two official tours by senior members of the Government are planned later in the year.

It must have come as a surprise to Mr Hayden last month when the PNG Prime Minister, Mr Wingti, criticised some

of Australia's key foreign policies in the lead-up to the South Pacific Forum meeting in Fiji.

Along with a number of other Melanesian leaders, Mr Wingti was critical of the Australian-sponsored South Pacific nuclear-free zone treaty.

Two days later he attacked again, rebuking Australia for its failure to join PNG in boycotting the Commonwealth Games in Edinburgh as a protest against the refusal of the Prime Minister of Britain, Mrs Thatcher, to impose sanctions on South Africa.

Mr Wingti said last week he hoped the Australian Government's decision to cut PNG's aid package by \$10 million would show the people of PNG that they could no longer rely on Australia or any other country to maintain economic stability.

The news of the cut caused hardly a ripple in the corridors of power in Port Moresby.

Mr Wingti said PNG was growing up, and increasingly able to make its own way in the region without Australian guidance.

This was linked to an extent with the changing financial relationship between the two countries.

At a time when Australia's budgetary aid to PNG was increasing, leaders in Port Moresby felt obliged to consult the Australian Government on key political issues.

Coffers

Now, as that element of the relationship is also changing, the Prime Minister admits he no longer feels such a duty.

"We are working towards a stage when PNG can be financially independent," Mr Wingti said this week.

Since independence almost 11 years ago, Australia has poured millions of dollars into the PNG Government's coffers. It gave more than \$500 million in untied cash aid last year.

This arrangement will change over the next few years. Every year until 1991, direct budgetary aid to PNG will decrease by 5 per cent. Over the same period, non-budget or tied aid in the form of goods and services will increase by \$90 million.

The transition has not been free from problems as the two countries discover differences in their development priorities.

Mr Wingti seems to be gathering ever more confidence to go his own way on all manner of domestic and regional issues, even at the risk of offending important - and wealthy - friends.

Since 1975, Australian investment in PNG has more than doubled. In 1994, when the latest figures were taken, Australian investment amounted to \$550 million. Exports to PNG were worth another \$550 million.

Good relations between investors and the Government have been tested in the past six months by disputes with two large Australian companies.

The first involves the packaging company J. Gadsden, which signed an agreement with the government of the former prime minister, Mr Michael Somare, giving it a monopoly of the canned meat market.

The company's \$15 million cannery at Madang was almost completed when Mr Wingti decided that the agreement was unconstitutional and unenforceable. This cleared the way for local competitors.

Then came the PNG Government's vote to ban television in the country until 1988 - which effectively ended the battle being waged by the Australian-owned Niugini Television Network (NTN) to start operations.

NTN is owned by Mr Kevin Parry's Newcastle Broadcasting Network. It had made an agreement with the previous government to begin broadcasting last month.

At the last minute, Mr Wingti ordered NTN to postpone broadcasting until an inquiry into telecommunications was completed.

In both instances, the Government has been seen to be going back on formal agreements with the Australian companies.

The fact remains that Australia's biggest market for manufactured exports is PNG.

Australian offshore investment is focused in this area.

The Government of PNG may be less inclined to let Australia pull the strings, but the relationship is destined by its physical proximity to be delicately maintained, despite the differences in political outlook.

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CSO: 4200/1448

PAPUA NEW GUINEA

WARNING ON COMMUNIST INFILTRATION IN COLLEGES

Port Moresby PAPUA NEW GUINEA POST COURIER in English 9 Sep 86 p 11

[Text]

THE Pangu Party yesterday warned against the infiltration of communism into PNG by tertiary students bodies and some MPs.

National president Mr Pate Wamp said the Government should keep a close check on its own ranks and tertiary students.

"The Soviet Union is well known in the world for its use of dissatisfied student bodies, trade unions and even individuals as "fronts" to impose its policies and ideologies."

Mr Wamp said the Soviet Union also sponsored training courses and participation at seminars and conferences as means of seeking support for its policies.

"There is already evident, the use of this tactic by Russia in the country.

"Classical examples were the trips overseas, especially to Russia and pro-communist countries, by various tertiary

student leaders sponsored by Russia through its agent organisations.

"The present Minister for Communications Mr Ramoi, has been one of the beneficiaries of Russian sponsored overseas trips.

"Being one of the beneficiaries of the Russian sponsored trips, Russia would no doubt attempt to use Mr Ramoi as a "front", Mr Wamp said.

Mr Ramoi's recent pro-communist public statements must also no doubt give an indication that the Russians and other communist countries must be succeeding in their attempts.

PNG was in grave danger of becoming a communist country.

Mr Wamp called on the Prime Minister to clean out any communist elements in his own back yard and also to scrutinise the tertiary student bodies' dealings with overseas organisations.

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PAPUA NEW GUINEA

AID CUTS 'NOT AS DRASTIC AS ORIGINALLY FEARED'

Port Moresby PAPUA NEW GUINEA POST COURIER in English 12 Sep 86 p 1

[Article by Angwi Hriehwazi]

[Text]

THE aid cuts are not as drastic as originally feared.

Foreign Affairs Minister Mr Vagi said he was "happy" with a proposed review of the five-year aid deal.

His Australian counterpart, Bill Hayden, yesterday held talks with ministers and Opposition Leader Mr Somare.

He assured them annual untied aid would not fall below K260 million.

This was revealed by Mr Somare.

Mr Vagi could not put a figure on the cuts but said there was a "base figure".

Under the current agreement, PNG receives K320m-a-year with an annual 3 per cent reduction over the following five years.

Australia reduced that deal by K6 million last month and further drops for the years 1987, 1988 and 1989 will now be discussed next month.

Mr Vagi feared that if Australia's economic climate worsened there could be severe cuts.

Mr Hayden had discussed a number of figures that would be considered in greater detail next month, said Mr Vagi.

He added that he would write a letter to Mr Hayden before next month's talks detailing how PNG thought the memorandum of understanding should be reviewed.

Crackdown

Mr Somare, meanwhile, claimed PNG could raise the money internally to make up for the aid cut.

He said the Taxation Office could improve its efficiency to crackdown on tax evasion.

Australian aid cuts would be "very small, very minimal" and "I know PNG can raise that kind of money".

He continued: "I know there is plenty of money around".

Australian aid will now total between K260m to K280m annually over the next five years instead of K320m.

"It will not go below K260m," Mr Somare confirmed after talks with Mr Hayden.

Finance and Planning Minister Sir Julius Chan painted a gloomy picture. He said aid would be reduced "faster over the next few years than originally planned".

He urged Papua New Guineans not to "panic or over-react". It was vital there was no anti-Australian feeling within the Government.

"Our Government has hastened the progress towards real self-reliance in just 10 months in office," he said.

Sir Julius added that Australia should appreciate difficulties PNG faced when it made tough decisions necessary to reduce dependence on budget support aid.

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CSO: 4200/1448

PHILIPPINES

POLITICAL GROUPS CLAIM INCREASED MEMBERSHIP

HK121235 Quezon City VERITAS in English 4-10 Sep 86 p 15

[By Gigi S. Oyog]

[Text] With Marcos out and their own leaders and members in government, some cause-oriented groups have found themselves re-examining their reason for being. Despite their relative quiet these past months, though, it appears that the recent turn of events have not quite reached the end of the road. Leaders of most cause-oriented groups interviewed by VERITAS reported increased membership: Bandila [Bayan Nagkaisa sa Diwa at Layunin--People's Unity in Spirit and Vision], Atom [August 21 Movement], Manindigani [organization of businessmen, professionals, and concerned citizens committed to take a stand on important national issues], and Mabi [Movement of Attorneys for Brotherhood, Integrity and Nationalism]. In terms of the number of organizations affiliated with it, Bayan [Bagong alyansang makabayan--new people's alliance] alone has grown over 300 percent. As Narda Lim of Manindigani, now deputy tourism minister relates: "We consulted our members one whole afternoon precisely to find out if cause-oriented groups are still relevant. I went to that meeting half expecting that Manindigan would no longer be around, only to find that it was unanimously agreed that it should still be around."

To others, there simply was never any question of their relevance. According to Mar Canonigo of Bandila, "nawala lang ang diktador [the dictator is gone] but the unequal social relationships that characterized the Marcos dictatorship are still intact: between capitalists and laborers, between landowners and peasants, or between landlords and the urban poor." If only to explain, then, to the people who now ask: "Bakit ngayong wala na si Marcos, marami pa ring problema?" [why is it that now that Marcos is gone, there are still a lot of problems?] Lean Alejandro of Bayan affirms that in fact, cause-oriented groups are more important than ever before.

Tactics, though, have had to change somewhat. Sporadic rallies still break out but while those during Marcos' time sought to bring him down, recent ones are staged to hold the Aquino government to its promises. Explains Canonigo; "This is our government and we are among those who worked to install this government. It is then our responsibility that this government does well."

Canonigo points out, too, that while it was easy to rouse people to demonstrate over certain issues during Marcos' time, some of their members are

"confused." In a sense, he says, they did not know what to do after the February "revolution." They would hesitate to come out openly and be as militant as before because they think they will be hitting their own people.

Not that they intend to cover up for the lapses of their colleagues in government, clarifies Lim. "We would like to think that we are watchdogs of government ministries. It is more like calling the attention of the people involved and asking why such things are happening just so it does not go the way it used to."

If the extra-parliamentary struggle was the main recourse of the cause-oriented groups before, now they are girding for the coming elections. The current perception among cause-oriented groups is that it is important to get into those positions of power and influence if they are to implement the programs and the structural changes they have long wanted.

But how will the cause-oriented groups achieve this? Through elections? As cause-oriented movements or as political party? Do they transform their group from a movement to a party, or should they form a coalition with existing political parties with common political agenda?

In spite of these options, it is unlikely that cause-oriented groups will abandon the movement, even for the purpose of the forthcoming elections. There is the consensus, for instance, that traditional politics is not the key to genuine social transformation. As Alejandro says: "Cause-oriented groups represent the new wave in Philippine politics. Traditional politics has been inefficient in educating people to believe in themselves. And the new politics as represented by political movements, and not by traditional parties, has been more responsible for the downfall of Marcos."

Continues Alejandro: "The single greatest political and historical development of the anti-Marcos struggles is that the people have overcome their sense of helplessness. They learned from direct experience that they can topple the most entrenched tyranny by acting collectively," a lesson better taught by political movements. As Noel Soriano of Manindigani and Bandila himself quips: "There is too much work to be done up ahead and we don't like to leave the work to the traditional politicians."

As Con-Com [Constitutional Commission] commissioner Edmundo Garcia, of KAAKBAY [Movement for nationalism, sovereignty and democracy] and Lakas ng Sambayanan [Nation's Strength] says: "We're writing an unfinished and imperfect Constitution. We are trying our best to resolve the country's inequities but there are problems that the Constitution will not touch adequately. The Constitution will not provide all the answers."

"But some of the battles we might lose in the halls of the Con-Com are not lost causes because they will have to be picked up by those who want to pursue them in other arenas. The people cannot give out. What is difficult may take time but what is impossible, a little more."

The last admonition comes from Rene Saguisag, noted human rights lawyer from Mabini, and now presidential counsel on the Bataan nuclear plant. Says he: "The problems of the country are too important to leave to the leadership alone. If the government does not succeed, it will be because of the people. The people get the government they deserve."

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CSO: 4200/1450

PHILIPPINES

MNLF SAID KEEPING GUARD UP DESPITE NEGOTIATIONS

HK121301 Quezon City VERITAS in English 4-10 Sep 86 p 17

[By Melvin Uy]

[Text] Despite the ongoing negotiations between the Aquino government and its central committee led by former university professor Nur Misuari, the Moro National Liberation Front (MNLF) is determined to be prepared for any eventuality. "We have learned from our bitter experiences in the '70s," the slim bemoustached Randy Karon, chief of the Utara Kutawato State Revolutionary Committee (UKSRC) told visiting journalists in a well-secured coastal village in Sultan Kudarat Province. This time they will not take any chances by letting down their guard.

Reference to the "bitter lessons in the '70s" and the vow not to repeat them was also reiterated by Karon's two colleagues in the UKSRC, Aladin Ambil the deputy chief, and Hussein Habbas, the political officer. Both, like the UKSRC boss, joined the MNLF in 1972 when deposed President Ferdinand Marcos imposed martial rule on 21 September of the same year.

The peace talks in 1976 and the Marcos government's avowal to settle the Moro question peaceably resulted in regrettable debacles for the MNLF. Karon, the 32 year old former engineering student of Manuel L. Quezon University, candidly admitted their errors. The MNLF swallowed hook, line, and sinker, the government's promises, wholeheartedly opening their arms and main camps to the scrutiny of the public, including intelligence operatives of the government who were zealous in gathering rare information the brief ceasefire interlude could offer.

By the second half of 1977, months after the signing of the 20 January truce, the talks collapsed. The MNLF was stunned as government offensives demolished their main camps with unprecedented speed and accuracy. The MNLF accused the Marcos administration of betrayal, of dangling the autonomy provisions of the 23 December, 1976 Tripoli Agreement in order to secure a better offensive posture, both politically and militarily.

The MNLF boycotted the 17 April referendum in Mindanao whose results it confidently foresaw—that the proposed autonomous body be divided into two, Regions 9 and 12. This was different from what had been agreed upon in the talks of setting up a single autonomous government. Its rancor further

aggravated when the two regional assemblies were packed by personalities they patently rejected: those whose loyalties were firmly anchored in Malacanang including Christian Politicos who figured in anti-Muslim slaughters, Moro elite and MNLF surrenderees who turned their backs on the plight of the Bangsamoro.

Self-exiled MNLF Chairman Nur Misuari reverted to secession in 1978, formally declaring the resumption of hostilities. But it was too late. The Marcos government had already caused substantial damage through clever political maneuvers and sheer military superiority. In addition, the unity of the Muslims was severely undermined. Many from its elite and even commanders vacillated, lost their fervor, as they joined the scramble for juicy concessions dangled by Marcos.

The cost of the decade's war had already mounted to 100,000 Moros killed with over a million more residents dislocated, 200,000 of whom sought refuge in nearby Sabah, Malaysia.

Compounding the problem was the eruption in 1978 of the internal conflict, which has not yet been resolved--the breakaway of Central Committee members Salamat Hashim and Dimas Pundato who formed their separate factions, the Moro Islamic Liberation Front (MILF) and the MNLF-Reformist, respectively. Each faction presents a different option in solving the Moro issue: regional autonomy.

Shortly after the conclusion of the Utara Kutawato State Congress, the Utara Kutawato State Revolutionary Committee invited a group of media men to the White Sand beach of the village, the site of the press conference in Sultan Kudarat Province. In MNLF terminology, Utara Kutawato refers to the combined Sultan Kudarat, Maguindanao and North Cotabato provinces, classified as a single "state" within the federated "Bangsamoro Republik" which the 15 year old MNLF insurgency aims to establish.

The quiet landscape of green coconut groves, flanked by steep, forested hills, looked deceptive. The experience of more than a decade of Bangsa Moro resistance has proven that the serenity is often jolted by rebel fire. Even during the visit, young men in varied uniforms, would emerge from the cottages beneath the blanket of coconut trees, carrying their automatic rifles, ready for action.

Hussein Habbas, the Manila-educated political officer in his early 30's, claimed that the 15 day state congress attended by up to a thousand delegates, was unanimous in demanding "self-determination." This demand is generally interpreted by the government as simply, "secession." The lean officer objected, they are not "seceding." Self-determination means government "recognition" that they are a distinct region.

The self-determination clause which prevailed during the UKSRC congress sharply contrasted the initial reports early this month of two emissaries, members of the 8 man consultative commission dispatched by the MNLF. It said that Mindanao Muslims in the commission's provincial sorties, favored regional autonomy more than secession. Ustadz Gulam Abdullah, the vice chairman of the

commission, implied the MNLF's softening of its hard-line stance saying it will honor the more popular choice of the Bangsamoro.

The conflicting findings of the UKSRC and the Libyan-based emissaries, are however, "tentative." The MNLF Central Committee has the final say, basing on the weight of recommendations in the field, Habbas clarified.

Despite the apparent observance of a ceasefire following the talks between the MNLF and Philippine government representatives, the MNLF underscored it is being extra-cautious not to fall into the trap similar to what Marcos laid out on them in the past. As one measure, they are maintaining their combat readiness, keeping up with their program of acquiring more military hardware and training of recruits.

Karon put it this way: "We want an end to bloodshed." He welcomed it saying he already lost five of his brothers and 17 first cousins since the MNLF rebellion flared up in 1972. "But we are militarily prepared for any eventuality," recalling again their "bitter lessons in the '70s."

Though obviously he was enjoying a break, at the beach, he instructed his men and visitors to keep watch. His intelligence gatherers last month reported that the Marines were to enter their territory. It was followed with reports on the sighting of two navy cutters along the coast, late in the same month.

The MNLF observes strict security measures. Commander Karon politely refused the press men's request to visit the camp site. Neither did he answer the question on the UKSRC's armed strength. Nor their location. The MNLF is now mobile, he said, again, invoking the "bitter lessons of the '70s."

Two months ago, 18 June, a squad-sized MNLF patrol engaged government troops in a fierce firefight which lasted one hour when the latter raided their hideout in Duma, Dinaig (15 kms from Cotabato City, Maguindanao. The UKSRC lost one fighter and a civilian supporter. But they nevertheless, slipped out of their attackers' cordon. According to radio reports, there were two military casualties. But Karon claimed it was "actually 16.0."

In April last year, two MNLF men were slain in an encounter with government troops in Upi, a Maguindanao mountain town the MNLF occupied for one week in 1974.

The UKSRC's retaliation came a month after, 20 May, 1985, when they attacked and wiped out a 12 man outpost of the 35th IB [Infantry Brigade] in Barongisan, the same town. The 15 minute operation yielded for the guerrillas the firearms and a radio set of their victims.

That's an example of being militarily prepared, Karon smiled. Despite this, however, Karon promised to observe the ceasefire as instructed by Misuari. But this, he emphasized, does not mean he will ever be caught with his pants down. His troops are militarily prepared, again, invoking their "bitter lessons in the '70s."

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PHILIPPINES

VERITAS DISTINGUISHES BETWEEN NPA, BANDIT GROUPS

HK121343 Quezon City VERITAS in English 4-10 Sep 86 p 9

[By Reina B. Casenas]

[Text] Two months ago, intelligence reports say, the CPP-NPA and the NDF held a plenum in Mindanao in which it was reportedly decided that the movement's expansion would include stepping up rebel activity in the province.

Political Affairs Minister Antonio V. Cuenco says reports later furnished by military intelligence revealed that Mindanao-based sparrow units had indeed been "exported" to Cebu. Up till then, Cuenco adds, the majority of underground activity in the hills could be attributed merely to loose bands of anti-Marcos rebels, other armed partisans and bandits who had found it expedient to identify themselves as New People's Army members.

Soon after, local newspapers began to note an alarming upsurge in violent incidents involving policemen and soldiers. To date, some 40 persons, mostly agents of persons in authority, have been killed: some in NPA raids, others in cold blood. A single gunshot wound in the back of the head emerged as a chilling pattern in the murder; the NPA has reportedly claimed most of the killings.

Cardinal Ricardo Vidal--archbishop of Cebu and president of the Catholic Bishops Conference of the Philippines--in an appeal aired over the pulpit and various news media, deplored the "erosion of the value of life" and urged local officials to initiate peace talks.

The NPA provincial command, however, issued a statement saying "negotiations for ceasefire (Mitra-NDP) are not synonymous with an actual ceasefire." Therefore, attacks would continue on "selected targets in spite of ongoing ceasefire negotiations."

But the cardinal had another reason. Shortly after the February Revolution, men and women had sought an audience with the cardinal on the possibility of surrendering their arms and coming down from the hills. Questions had been asked; questions which the cardinal on his own, could not answer. Would they be given safe conduct passes? Would the government pay for firearms surrendered? Would the government help them rebuild their lives?

The message delivered was that many of the loose bands who roamed the hills during the Marcos regime now want to go back to society but are afraid of what the military will do to them. There were no demands made. It was a message of surrender.

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PHILIPPINES

CONCOM COMMISSIONER DISCUSSES DIVISION IN COLUMN

HK121337 Quezon City VERITAS in English 4-10 Sep 86 p 12

["Occasional Reflections" column by Joaquin G. Bernas, S.J.: "The Pangs of Being an Appointive Con-Com"]

[Text] We had hoped that the Con-Com [Constitutional Commission] could draft a constitution that would unite the Filipino people fractured by divided personal loyalties. Yellow or red, white, and blue. Almost three months now into the exercise of forging a fundamental law, what are the chances of this hope being fulfilled? The Con-Com itself is wracked with division. Acrimonious division, yes, no matter how hard we try to hide the bitterness in polite language. Can a divided Con-Com draft a unifying document?

But first, why is the Con-Com unity "cracking up?" Various diagnoses have been offered. Some attribute it to a "mad rush" to meet a 2 September deadline—(clearly unattainable now)—which is resulting in frayed and tattered nerves. Others say it is due to insidious manipulative machinations being done by outside forces in order either to delay the work of the Commission, or to destabilize the government, or to protect selfish interests, or all of these. Still others say, without denying the first or the second or the third, that we simply have reached that stage when the Con-Com must discuss and make decisions on matters over which the entire Filipino nation itself is wracked with divisions.

I personally believe myself that it is this last which has begun to surface prominently. When the subject of discussion was the structure of government, there clearly was a strong cohesive theme: the desire to put barriers against any person ambitioning to duplicate the record of the Marcos regime in terms of violations of human rights and outright thievery. Preventive measures were built around the presidency. Structures were built to strengthen the judiciary. And the elected lawmakers were given a prominent role in the imposition of emergency measures like martial law and the suspension of the privilege of the writ. The Civil Service, the Comelec [Commission on Elections] and the Commission on Audit were strengthened. And a Bill of Rights more liberal than we have ever had was hammered out. There were disagreements, yes; but most of the time the order of the day was consensus.

There was a common desire to complete the political revolution: that was the cohesive bond.

The other side of the needed revolution is social.

The Con-Com began to tackle this when it took up the article on social justice. Property was the primary issue. The disagreements became sharper. In the end, the document that came out was a necessary compromise. I would say that the article on social justice is the best that could have been done by the Con-Com, given its composition and ambiguous mandate. It is an essentially unfinished document. Its completion will have to be made by elected future Congresses.

The consideration of the national economy and natural resources was still about property. But it includes another significant dimension: foreign interest. This added consideration exacerbated the property dimension already present in the consideration of social justice. And when you consider that both property and foreign interest considerations carry ideological undertones, the forces that entered the fray could make for a lively and warm exchange. And so they did; and combustion resulted.

The pace of the Con-Com has considerably slowed down. It has to, especially as we enter into the combustible phase. But do not expect that the level of disagreement will abate. The question of sequestration will involve property and basic decency; the military bases are essentially a question of foreign intervention and sovereignty spiced by conflicting geopolitical interests. And when you throw in the problem of fixing the term of President Aquino and Vice President Laurel, you add political spice to the concoction.

To go back then to my original question: can the Con-Com forge a document that can unite the Filipino people?

I believe strongly that the governmental structure devised by the Con-Com can unite the nation. It clearly reflects the common desire not to allow another Marcos to dominate the nation. For this portion of the constitutional draft, the fact of an appointive Con-Com is largely irrelevant.

But for those portions of the draft which touch on property and foreign interests, elements that deeply divide the nation and where factors involving haves and have-nots are most relevant, one begins to wonder if the Con-Com represents a cross-section of the nation. But then we also wonder if a different "class" composition of the Con-Com would have resulted from making the body an elected one.

In the face of all this, what? How do we make the Constitution a unifying document? Perhaps something can still be done if indeed the final document turns out to be a fractious one.

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PHILIPPINES

EDITORIAL STRESSES NEED TO REFORM ARMY

HK121057 Manila PHILIPPINE DAILY INQUIRER in English 12 Sep 86 p 4

[Editorial: "The National Problem"]

[Text] The country's 350,000-strong Armed Forces is a national problem, gauging by news reports of military involvement in felonies of one kind or another. Apart from their role as state enforcers of the late Marcos regime, they have been linked to carnappings, bank robberies, landgrabbing and organized crime, to name a few. But people remember them most—and who could possibly forget that long night of terror—for their heavy-handed treatment of the people and the systematic violence they inflicted on the land in the name of state security.

The sorry fact is the New Armed Forces of the Philippines [NAFP] seems to be little different from the old Armed Forces of the Philippines that so effectively terrorized the archipelago for 16 years, despite all that euphoria about their finally having made their peace with the people during the February Revolution, despite even those proud flag patches they wear on their shoulders.

The storming last Monday of the Quezon City police headquarters by 30 to 50 Constabulary Special Action Forces (SAF) soldiers bent on rescuing a detained fellow trooper illustrates the gravity of the rot that Armed Forces chief General Fidel Ramos must excise from the "NAFP" before he could turn it into the "army of the people."

All that talk about reformism in the Armed Forces comes to naught against that expose of Army men themselves reportedly engaging in illegal logging in Bulacan, a report that seems to lend credence to suspicions, widespread but never confirmed, of generals and colonels masterminding the denudation of our forests and amassing wealth in the process.

In these times of trouble, General Ramos' concern becomes the concern of all, considering the nation's quest for the peace that has eluded it all these years. If a company of elite troops can consider themselves bigger than the law in Metro Manila, it is far-fetched to believe that line troops in the embattled countryside would disregard a ceasefire agreement reached between government and rebel forces?

Filipinos across the country welcomed Camp Aguinaldo's investigation of 46 generals and colonels for amassing hidden wealth. Too long have we suffered the swagger of Mercedes Benz-riding generals flaunting their glitter before the greater mass of impoverished civilians. Now, if only the investigations can lead to convictions, it could be a start, at least, in the long process of restoring people's faith in the man in uniform.

The change in the NAFP must be qualitative: first of all, they must learn to respect the flag they wear on their shoulders as a badge of honor. Unless they do so, they are no better than an armed band committed only to the rule of the gun.

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CSO: 4200/1450

PHILIPPINES

ECONOMY SHOWS IMPROVEMENT IN SECOND QUARTER

HK150709 Quezon City NEW DAY in English 15 Sep 86 p 15

[Text] The economy during the second quarter this year continued to experience marked improvement in various key areas, according to the Central Bank [CB].

In his second quarter report submitted to President Aquino, CB Governor Jose B. Fernandez, Jr. said however that in spite of the clear progress that has been accomplished since the end of the first quarter, "we must again repeat some of the caveats that seemed appropriate in our report at that time."

Fernandez specifically referred to "actions that are not carefully thought through but which at first blush appear necessary or genuinely demanded by the times." He said this is in order to avoid "economic waste or isolation." He added that the government must deliberately "choose those efforts that can be sustained."

Fernandez's statement appears to be another signal to the more progressive elements in the Monetary Board, notably Economic Planning Minister Solita C. Monsod, not to propose drastic solutions to the country's foreign debt problem. Fernandez is known within banking circles as a very conservative banker.

Detailing events during the period, Fernandez said there continues a slack in domestic economic activity, although the process of confidence-building, started in the first quarter of the year, continued and permitted the government to undertake measures which it could not do so before.

Overall surplus in the balance of payments reached \$866 million during the first six months with a second quarter surplus of \$589 million.

Fernandez said the surplus was achieved as a result of an improvement in the current account during the period. Second quarter current account surplus reached \$475 million compared to a deficit of \$77 million for the comparative quarter last year.

Total exports during the second quarter reached \$1,221 million for a first semester export of \$2,310 million. Imports, on the other hand, totaled \$2,440 for the first semester.

Major exports during the second quarter include electronics with \$236 million, garments with \$177 million, coconut oil with \$84 million, chemicals with \$70 million, copper metal with \$39 million, and sugar with \$8 million.

Principal imports during the period include capital goods with \$200 million, raw materials with \$666 million, mineral fuels with \$163 million and consumer goods with \$114 million.

Fernandez also reported that during the second quarter, the build up in the international reserves continued so that by the end of June this year, gross international reserves reached \$1,636 million.

In the domestic sector, inflation has decelerated further, allowing for greater flexibility in the conduct of monetary policy.

Fernandez said domestic interest rates, particularly on government securities, returned to lower levels after being allowed to rise to forestall the adverse impact of massive election spending during the first quarter. Fernandez, however, pointed out that the downward move in interest rates had limited effect on investment expenditures and production activity.

Other major points in the report:

As of end--June 1986, total foreign exchange liabilities aggregated \$26,483 million, \$126 million and \$231 million higher than the end--March 1986 and end--December 1985 levels respectively.

Reserve money consisting of deposit because of banks and currency in circulation dropped to P38 billion by end--June after reaching a peak of P44.4 billion in February this year.

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CSO: 4200/1450

PHILIPPINES

\$866 MILLION BOP POSTED AFTER FIRST SEMESTER

HK150526 Manila MANILA BULLETIN in English 13 Sep 86 p 21

[By Juanito C. Concepcion]

[Text] The country posted an \$866 million balance of payments surplus during the first semester of the year after registering a \$589 million BOP surplus in the second quarter, Central Bank [CB] Governor Jose B. Fernandez Jr. said in his 1986 second quarter report last week to President Corazon C. Aquino.

The Central Bank reported clear progress and positive achievements in the economy, like a \$589 million balance of payments surplus, during the second quarter of the year which was a marked increase over the \$277 million level during the first quarter of the year.

Total export earnings rose by 3 percent to \$1.221 billion compared to the same period last year.

Imports dropped slightly to \$1.221 billion during the second quarter from the year-ago level of \$1.399 billion as imports of crude oil and lubricants dropped by 66.3 percent following the sharp reduction in volume and prices of these imported products.

Preliminary CB estimates also showed that its gross international reserves as of the end of June increased by a hefty \$368 million to \$1.636 billion which was equivalent to about four months' import requirements of the country.

The real gross domestic product during the first quarter of the year declined, however, by 1.2 percent on an annual basis compared to the 7.3 percent decline during the same period last year.

The CB also reported that the country's foreign exchange liabilities as of the end of June this year amounted to \$26.438 billion, which was \$126 million and \$231 million higher than the end-March, 1986 and end-December, 1985 levels, respectively.

According to the CB report, inflationary pressures continued to weaken as the annual inflation rate, as measured by the consumer price index for the country, decelerated anew to 1.1 percent during the second quarter which was lower than the 3.7 percent of the preceding quarter and the 33.1 percent posted for the second quarter of 1985.

Borrowing and lending rates during the second quarter were on a downtrend reflecting essentially the deceleration in inflation and the continued slack in economic activity.

The cash operations of the national government during the second quarter resulted in a significantly lower government deficit of P1.7 billion based on second quarter revenues of P22.7 billion against expenditures of P24.4 billion.

Reserve money dropped to P38 billion by the end of June after reaching a peak of P44.4 billion in February this year.

Total domestic liquidity declined by P2.9 billion or 2.2 percent from its end-March level and settled at P127.8 billion as of the end of June which reflected a reduction in reserve money and the continued depressed state of the economy.

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CSO: 4200/1450

PHILIPPINES

DEVELOPMENT BANK LOSSES PEGGED AT 1.24 BILLION PESOS

HK150715 Manila MANILA BULLETIN in English 13 Sep 86 p 21

[Text] The development Bank of the Philippines (DBP) incurred a net loss of P1.24 billion from the sale of its acquired assets last year, aggravating the bank's P5.6 billion losses from operations.

The DBP's total net loss of P6.89 billion in 1985 was fully paid for by the national government which infused new equity contribution of P7.45 billion that year to prop up the ailing bank.

In a report to President Aquino, DBP Chairman Jesus P. Estanislao detailed the DBP losses and related how the DBP had to restate its 1984 results of operations to effect the huge loss incurred from the sale of one acquired asset.

Estanislao, who took over as DBP chairman from Cesar Zalamea last June, had to sign the 1985 annual report, although he had nothing to do with the 1985 operations of the DBP.

The P1.24 billion net loss incurred by the DBP from the sale of acquired assets in 1985 was accounted for mainly by the P641 million loss suffered from the sale of five hotels, and another P629 million from the settlement of the United Coconut Oil Mills (Unicom) accounts.

The five hotels disposed of during the year were the Manila Garden Hotel, which was bought by Japan Airlines; Peninsula Hotel, bought by the group of P.L. Lim; Manila Mandarin, acquired by Hong Kong Land; Century Park Sheraton Hotel, acquired by Lucio Tan; and Silahis International, bought by the Enriquez family.

Estanislao also reported that the DBP results of operations for 1984 had to be restated to effect the loss on the sale of Galleon Shipping account of P1.17 billion. This resulted in a bigger loss of P7.79 billion for the DBP in 1984 when it reported a loss of only P6.64 billion.

A subsidiary of the ill-fated Construction Development Corporation of the Philippines under Rodolfo Cuenca, the shipping firm was foreclosed by the DBP after it defaulted on its foreign obligations which were guaranteed by the DBP.

With five 20,000 DMT cargo vessels as its main assets, Galeon Shipping was purchased by the National Development Corporation (NDC) in August 1984 at a very low price, although NDC claims it was the "fair market value" at that time when the ship cargo business was very depressed. It was renamed National Shipping Corporation and it is still being operated by NDC.

In 1985, the DBP assumed the direct obligations of the Marinduque Mining and Industrial Corporation, another failed venture, of P4.33 billion, and recorded the estimated future interests on these accounts of P1.6 billion.

/12913

CSO: 4200/1450

PHILIPPINES

1986 FIRST HALF TRADE DEFICIT \$144.5 MILLION

HK120947 Manila MANILA BULLETIN in English 11 Sep 86 p 11

[Text] The country's trade deficit reached only P2.89 billion (\$144.5 million) for the first semester of this year, about 40 percent lower than the P4.82 billion (\$241 million) recorded during the same period last year.

Statistics gathered from the National Economic and Development authority (NEDA) showed that the country's merchandise exports, at current prices, amounted to \$2.33 billion for the first semester this year compared to the 1985 level of \$2.1 billion.

Merchandise imports, on the other hand, reached \$2.57 billion, or 3.1 percent more than the \$2.49 billion recorded last year.

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The decline in prices of merchandise imports (-15.77 percent) and the substantial increase in prices of merchandise exports (22.43 percent) improved the terms of trade from 74.69 percent for the first semester of 1985 to 91.73 percent for 1986.

In real terms, value of Philippine exports went up by 14 percent. Total merchandise exports grew by 7.30 percent to \$375 million against the \$349.5 million registered in 1985, notwithstanding unfavorable world market prices for some of the country's major exportable products.

The increased receipts from the country's principal merchandise exports were the result of the improved performance of crude coconut oil (200.42 percent), copra oil, cake and meal (172.73 percent), coffee (94.37 percent), garments (27.57 percent), gold from copper ores (24.53 percent), dessicated coconut

(19.51 percent), banana (7.45 percent), bars of unworked copper (2.41 percent), and prepared tuna (1.74 percent).

Total imports of goods and non-factor services went up by 19.82 percent in real terms largely due to the need for production inputs of agriculture and manufacturing. Principal merchandise imports grew by 2.62 percent.

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CSO: 4200/1450

PHILIPPINES

'ECONOMIC INDICATOR' ON TRADE DEFICIT

HK121213 Quezon City BUSINESS DAY in English 12 Sep 86 p 2

["Economic Indicator" column: "RP Trade Deficit Narrows 52 Percent"]

[Text] The country's balance of trade for the first half of the year registered a deficit of \$131 million as total imports worth \$2,441 million exceeded total exports of \$2,310 million, data gathered from the Central Bank showed. This, however, was a 52.54 percent improvement from the \$276 million deficit incurred in the same period last year. Compared to 1984's \$315 million deficit, this year's shortfall was 58.41 percent lower.

As in the past, the United States and Japan were the top trading partners of the country during the period.

From a surplus of \$144 million in 1985, the country's trade with the US grew by \$52 million. Total exports to the American market reached \$805 million, \$196 million more than total imports of \$609 million.

Similarly, trade transactions with Japan resulted in a surplus of \$71 million as of the end of June. Total exports reached \$446 million, while total imports amounted to \$375 million. However, the trade surplus this year marked a decline of 37.73 percent or \$43 million from last year's \$114 million.

Exports to the European Economic Community (EEC) totaled \$384 million during the period in review. This represented a 31.96 percent increase from the \$291 million worth of goods shipped to this market in 1985. The Philippines trade surplus with the EEC rose 42.17 percent or \$35 million from \$83 million to \$118 million as total imports from its member countries reached only \$226 million.

Meanwhile, the country's trade transactions with the Middle East countries resulted in a \$261 million deficit.

Direction of Trade
January To June 1985 & 1986
(Value in Million US Dollars)

1986

1985

Country	Imports	Exports	Balance of Trade	Imports	Exports	Balance of Trade
United States	609	805	196	658	802	144
Japan	375	446	71	362	476	114
European Economic Community	266	384	118	208	291	83
Middle East Countries	308	47	(261)	339	34	(305)
Escap Countries	555	372	(183)	684	461	(223)
Socialist Countries	57	42	(15)	169	74	(95)
Other Countries	271	214	(57)	180	186	6
Total (All Countries)	2,441	2, (2	(131)	2,600	2,324	(276)

Source: Central Bank

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PHILIPPINES

NET CAPITAL OUTFLOW TO REACH \$1.1 BILLION

HK121215 Quezon City BUSINESS DAY in English 12 Sep 86 p 3

[By Daniel C. Yu]

[Text] The Philippines expects to post a net capital outflow of \$1,072 million this year. This will principally be used to pay for a number of medium and long term loans acquired by the country in previous years.

The net capital outflow will completely offset the projected current account surplus of \$283 million for this year and leave a deficit of P789 million in the country's balance of payments (BOP) before rescheduling.

The country will have to borrow to cover this BOP shortfall over and above net capital inflows projected from loans as well as foreign investments which apparently will remain low this year.

The deficit will be financed mainly from new money amounting to \$764 million. Official creditors will provide \$239 million while commercial banks are expected to add \$525 million to cover the shortfall.

These are some of the projections made by the government regarding its BOP position for the end of this year. These are contained in documents to be discussed with a mission from the Overseas Economic Cooperation Fund (OECF) of Japan which is arriving in the country next week.

The OECF mission is expected to begin preliminary talks with the government on a new yen commodity loan for the country which will form part of the 14th yen package. The government of Japan annually extends a concessional loan package to the Philippines.

The close to \$1.1 billion net capital outflow however is slightly lower than the \$1,790 million outflow in 1985 principally due to payments made by the country on its short-term debts.

Last year, net outflow of short-term capital was P1,526 million compared to only \$283 million for this year. In the case of medium and long-term loans however, payments this year will total \$1,895 million against only \$1,454 million in 1985.

The continued net capital outflow of the country for last year, this year and, most likely, through the end of this decade confirms the perception that debtor countries, like the Philippines, are actually paying out more than what they are receiving in terms of new capital inflows.

This has tended to hamper the country's ability to get out of the debt bind since with more capital moving out, there is almost nothing left that can be used to finance development.

At the same time, comparing debt repayments to actual foreign exchange receipts would indicate that despite the restructuring of the country's debts, the debt service burden would actually grow over the medium term.

Data from the Central Bank showed that the debt service-foreign exchange receipts ratio, even after rescheduling, will rise from 33 percent this year to 52 percent next year, 54 percent in 1988, 45 percent in 1989 and 46 percent in 1990.

Rescheduling provides partial relief in that a country's outstanding debts are allowed to be paid over a longer period but it does not correct the fundamental problem since interest payments on these debts still have to be paid during the period.

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CSO: 4200/1450

PHILIPPINES

AGRICULTURAL LOANS CONSOLIDATED UNDER FUND

HK120941 Manila THE MANILA TIMES in English 12 Sep 86 p 6

[By Oscar Gallamos]

[Text] The Monetary Board Central Bank's [CB] policy-making body, approved last week the transfer of all the 31 agricultural loans and programs into the P1 billion Consolidated Agricultural Loan Fund (CALF), Agriculture and Food Minister Ramon V. Mitra, Jr. disclosed yesterday.

Mitra said the centralized agricultural lending program would enable the government to effectively extend and supervise credit to agro-based projects especially in the countryside. About two-thirds of the country's 51 million Filipinos live in the rural areas.

He said the agricultural sector generates about 50 percent of the country's total export earnings and that half of the country's 21 million labor force are in agro-based activities.

Mitra told the Bank Marketing Association of the Philippines (BMAP) that the mechanics of the fund are being drafted. The Monetary Board is expected to approve the draft once it is presented.

The CALF would be under the MAF [Ministry of Agriculture and Food] with Mitra as chairman. The MAF team preparing the draft is headed by MAF Deputy Minister Carlos Dúnguez who has been designated acting MAF minister effective yesterday by President Corazon Aquino.

Mitra also announced that the Monetary Board has approved in principle the rehabilitation of the rural banking system. The system has some P2.6 billion of arrearages with the Central Bank incurred on various agricultural lending programs.

Only 10 percent of about 940 rural banks nationwide are viable. The rest are saddled with non-payment of loans or cash advances from the CB.

The rural bankers were not entirely to blame, according to Mitra. The Masagana 99 program, for one, in which millions of loans had been lent to unqualified borrowers, was politically-motivated and that rural banks were practically forced to offer the program.

The rehabilitation of the rural banking system is necessary to promote agricultural credit which leads to an increase in the level of farm income and greater farm employment, Mitra said. Besides offering reasonable interest rates, the rural banks are in the best position to understand the needs of farmers in the rural areas, according to Mitra.

Mitra said that the rehabilitation scheme for the rural banks would involve the creation of a corporation that would guarantee the rural bank loans. The World Bank and the Asian Development Bank (ADB) have expressed willingness to provide the capital.

On why commercial banks are reluctant to lend heavily to agriculture, Mitra admitted that the peace and order problem has been a crucial factor, saying large-scale projects have not been spared from extortions or attacks by rebels.

Since 1983, rural banks have been adversely affected by the economic crisis. Borrowers defaulted on their loans. The rural banks, in turn, incurred arrearages with the CB.

By the end of 1985, only 900 rural banks were in operation due to various developments like the switch to market related rediscount rate, sharp reduction in the volume of rural banks' rediscounting with the CB, and sudden withdrawal of tax exemptions.

On the controversial Presidential Decree 717 (agriagra requirements) Mitra said he was for its revision, not removal, since there were some provisions which should be retained.

Under the decree issued in 1975, all banking institutions are required to allocate 25 percent of their loanable funds to agriculture of which 10 percent is for agrarian reform credit and 15 percent for agricultural credit in general.

Domestic sources of funds for agriculture are generated through the banks' loanable funds from savings and time deposits, borrowings, capitalization, special funds and rediscounting.

Foreign funds are for agriculture obtained through special negotiations with bilateral and multilateral sources. These funds are then channeled to local financial institutions for relending to borrowers.

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PHILIPPINES

2.9 BILLION PESOS RELEASED FOR EMERGENCY EMPLOYMENT

HK120939 Manila THE MANILA CHRONICLE in English 12 Sep 86 p 9

[By Raul Marcelo]

[Text] The Ministry of Budget and Management (MBM) has released practically all of the funding requirements for the emergency employment program (EEP) for the July to September period.

An update of the funding status for the EP as of 5 September in fact showed that the authorized releases have exceeded the quarterly ceiling of P1.799 billion.

Releases covered by advices of allotment (AA) from the budget ministry as of 5 September already amounted to P2.933 million, or 62.1 percent more than the allocation for the quarter ending 30 September.

The bulk or P2.1 billion of the authorized release was for the Ministry of Public Works and Highways (MPWH), which would undertake majority of the 12,527 labor-intensive projects and generate employment for 430,000 workers by December this year.

The total funding allocation for the EEP for the period July to December is P3.9 billion and is expected to create 683,549 new jobs.

The authorized releases for the MPWH as of 5 September already represents 84 percent of its total allocation of P2.5 billion.

for the other government agencies participating in the EEP, the amounts released were equivalent to their ceiling for the quarter.

Local government units have received its entire allocation of P419.737 million for the quarter ending this month. These local government units are expected to generate 126,860 new jobs under the EEP.

The other government agencies which have received their entire allocation for this quarter included the Ministry of Agriculture and Food (MAF), P175.91

million; Ministry of Natural Resources (MNR), P79.46 million; Ministry of Transportation and Communication (MOTC), P75.2 million; Ministry of Agrarian Reform (MAR), P30.797 million; Ministry of Social Services and Development (MSSD), P20.58 million; Ministry of Justice (MOJ), P3.56 million, and the Ministry of Trade and Industry (MTI), P3 million.

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PHILIPPINES

LABOR MINISTER CLAIMS DECLINING NUMBER OF STRIKES

HK121211 Quezon City BUSINESS DAY in English 12 Sep 86 p 2

[Text] Labor Minister Augusto S. Sanchez said the downward trend in the number of strikes staged in the past three months is due to this "initial success" of the government in improving the economic lot of workers and in its consequent taking on of "some degree of credibility" in the eyes of these workers.

Sanchez, addressing a general membership meeting of the Philippine Association of National Advertisers (PANA) yesterday, credited the "emergency economic measures" the government has undertaken for the relatively strike-free labor scene today compared to the first few months this year.

The government has brought down the cost of fuel which has translated into lower transportation cost and reduced prices of basic commodities, he said. Also, it has shifted the tax burden from essential to non-essential items, he noted.

He said the upsurge in strikes from last February to April—25 strikes in February to 65 in March to 79 in April—has now been arrested. In July, there were only 53 strikes and in August, only 27, he said.

However, the labor minister cautioned against overoptimism regarding the situation, noting that the national economy is still in the doldrums and that strikes generally go on an uptrend when the consumer price index rises and the gross national product (GNP)—the sum total of goods and services produced in the economy—slips.

Sanchez disclosed that the government will be "revising" its stance from the previous interventionist and wage-setting posture taken by the past government to one that puts more emphasis on collective bargaining.

It will also see to it that workers' income is augmented ensuring stricter compliance by employers with the rules of the payment of cost of living allowances, overtime pay and holiday pay, he said.

Sanchez said the labor ministry will ensure protection of the human and democratic rights of workers which would bolster their bargaining capacity. In this light, he said, the ministry will strengthen the collective bargaining agreement (CBA) machinery to make it the "main" machinery where grievances at the enterprise level can be resolved.

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PHILIPPINES

WEST GERMAN TELECOMMUNICATIONS DEALS REVIEWED

HK121219 Quezon City BUSINESS DAY in English 12 Sep 86 p 9

[By Geselle J. Militante]

[Text] Government contracts with West German telecommunication giants, including Siemens AG, will be revoked if found "onerous" and costly for the government, Transportation and Communications Minister Hernando Perez said.

Perez said pricing of contracts, especially for the purchase of telecommunication equipment, must "meet international standards." Otherwise, he said, changes would have to be made.

The minister said he wanted major changes, in the multimillion-peso consultancy service, contracts and suppliers' contracts drawn up by the past government for the national telephone program.

He said he has asked Economic Planning Minister Solita Monsod, director general of the National Economic and Development Authority, to withhold approval of contracts pending further study by his ministry.

Perez's move has alarmed the West German government because the German telecommunication industry has huge contractual commitments in the Philippines. These commitments are hanging in the air.

Perez has asked Monsod to withhold approval of a contract with Detecon, Inc. for frequency management and monitoring services of the National Telecommunication Commission (NTC).

Monitoring of air lanes and allotment of frequencies to both government and private telecommunications users is needed to clear up the air of illegal clutter, he said.

The contract with Detecon has been proposed for this purpose. However, Perez has expressed reservations about the contract. He has also asked Monsod to approve changes in a proposal of Teleconsult, Inc. to use funds from the World Bank. Perez said the government could save \$50 million in telecommunications development costs by revising Teleconsult's terms. He said the Teleconsult proposal needs changes because the United States government has offered to

supply the NTC all the computer software and data bases it needs at no extra cost.

Perez has suggested acquiring second-hand crossbar and step-by-step electromechanical public switching telephone equipment, instead of the more expensive digital equipment. The former can accommodate voice transmission only.

Dr Klau Zeller, West German ambassador, has expressed concern over Perez's suggestion. He has written the minister that the Philippines "is outdating itself with such old switches, which in the long run will become more expensive than modern digital equipment. Considering today's fast innovation in the field of electronics and communications, a five to ten year standstill in the implementation of modern facilities is practically not affordable by any industrialized or developing country."

Perez appears bent on having a totally new type of equipment. "Under the present limited financial resources of the Philippines," he said, "it is of critical importance to find ways to provide the people with communications even by deviating, even temporarily, from the telecommunications policy established earlier by the previous administration."

He said, "For an interim period of five to ten years, with less sophisticated and inexpensive non-digital electromechanical switching equipment in lieu of the previously planned digital electronic switching equipment, the government would be able to provide country-wide communications facilities faster."

Perez estimated that the adjustment in policy would spread telecommunication facilities to 300,000 to 500,000 subscribers in five to ten years at less cost.

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MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

HUE CITY PLUGS RICE CONSUMPTION LOOPHOLES

Hanoi NHAN DAN in Vietnamese 29 Jul 86 p 2

[Unattributed article: "Practicing Conservation; Hue City Inspects Grain Consumption, Reduces Erroneous Rice Supply by 10,280 Kilograms Monthly"]

[Text] Hue City in Binh Tri Thien Province has more than 200 agencies and enterprises with collective kitchens. Although the Municipal People's Committee has reminded the agencies and enterprises many times to firmly control the grain, there are still occurrences of corruption and waste.

Recently the Municipal Grain Corporation conducted an inspection of the grain consumption units such as hospitals, normal schools, advanced normal schools, work sites, enterprises and administrative and professional agencies and discovered the widespread discrepancy of changing professions but not reporting a reduction in grain standards, and various population discrepancies such as individuals who are missing from their jobs but the unit not reporting a grain reduction; and students on summer or holiday vacations, leaving a rice surplus amounting to hundreds of kilograms in the collective kitchens which is slipped outside by the managers.

Based on the inspection reports, the Grain Corporation recovered dozens of tons of surplus rice and eliminated 1,041 "phantom" residents, and consequently does not have to sell 10,280 kilograms per month. Through the inspection, the Grain Corporation suggested a number of methods to the Municipal People's Committee for assisting units in rationally and firmly managing and distributing grain.

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MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

SOURCE OF INCOME FOR BUILDING HOUSE QUESTIONED

Hanoi LAO DONG in Vietnamese 19 Jun 86 p 2

[Party Builders Mailbox column by Tien Van, Viet Tri-Vinh Phu: "A Question About a House"]

[Text] I was born in Vinh Phu but have not lived there for a long time. Recently, I had a chance to return and noticed that Viet Tri City has changed greatly. There are many new public projects. The Hung Vuong road has become a broad "highway." There is a stadium in the middle of the city. Many pretty and cozy houses of cadres and party members line the sides of the roads, making the city more enclosed. I felt proud and excited.

I stood in front of a project under construction—a big two-story house. The lower floor had six rooms; the upper floor had three or four rooms. This house was located across the street from the Vinh Phu Forest Management Branch on the old site of the Communications and Transportation Service during the time of the resistance against America. I asked a cadre at a nearby agency about this.

"Which agency is building such a beautiful building?"

"That is the house of Mr Vinh, the director of provincial Communications and Transportation Service."

I had not yet recovered from the shock when he continued, saying that "It's 'great' that he and his family can build such a big house without having to do anything. Graders belonging to the state came and prepared the ground. Tankers brought in water to mix with the concrete. BelAZ and ZIL trucks transported bricks and sand. A crane hoisted the panel. People were hired to do the other jobs. In today's financial situation, a state agency could not have raised the money to build such a building so quickly."

Exactly! This raises questions about this director, the owner of this house. Does the Vinh Phu inspection organization know about this?

Is this house being built with the pooled wages earned by family members? And if they are spending all their money on this house, what are they using to pay their daily expenses? If Director Vinh and his family are not using their

wages to build this house, what legitimate source of income could they have to build this house?

Through LAO DONG's Party Builders Mailbox column, I would like to ask Vinh's higher-echelon agency, that is, the Vinh Phu Provincial CPV Committee, to answer these questions publicly.

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INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

CONTRASTING STYLES OF OFFICIALS, VISITING FRENCH BUSINESSMAN

Hanoi LAO DONG in Vietnamese 19 Jun 86 p 3

[Business Story column by Vu Lam, Xuan Hoa Bicycle Enterprise, Hanoi: "Solving a Problem"]

[Text] This took place at my enterprise, but it does not concern us. Our enterprise was selected as the site of an important conference for higher echelons. More than 20 people attended the conference. Representing our side were ministry, city, and service officials. Representing the other side "single-handedly" was the deputy general director of a famous French commercial firm.

The meeting began, and after the introductions, the two sides discussed doing business with each other. The initial discussion went quite well. But business matters can't be discussed using just "diplomatic" forms. Very specific matters must be discussed: prices, quantities, quality, types, shipping and receiving times, and so on. Finally, and most important, a contract must be signed.

But then, the negotiations suddenly began encountering problems. The deputy general director began talking about the goods that our side wants to sell to him. He took out a small pocket calculator, did a few calculations, and said:

"During the first phase, we want to receive the goods in Singapore. During the second phase, we would like to pick up the goods in India. The two shipments should be 1 month apart. As far as quantities and prices are concerned, I don't think that there is anything else that needs to be discussed. We can sign the contract immediately. What do you think?"

The translator translated this concisely and clearly. Our officials all looked at each other for a long time. No one voiced an opinion on whether or not the contract should be signed. It was absolutely quiet. The deputy general director looked upset and said:

"Tell me what other items you want to buy from us, when you want them delivered, and whether you want them shipped to Haiphong, Danang, or Saigon. You have to tell me if we are to sign a contract. I hope that today is an auspicious time, because these contracts will benefit both sides."

For the second time, the officials looked at each other questioningly, as if wondering who was quick-witted enough to respond. But no one responded. This was because of our work style, which can be shown using the following example: If my enterprise wants to import raw materials to make bicycle parts, we have to go through many other agencies, such as the enterprise federation, the Municipal Planning Board, the People's committee, and UNIMEX. This takes at least 2-3 months.

I watched the deputy general director. Grasping the situation and realizing what our mechanism is like, he stood up and said delicately:

"You have always been very cautious when it comes to business. We can't sign the contracts today. I suggest that we prepare a memorandum to remind us that we discussed matters on this date."

The atmosphere at the meeting became very pleasant again. This solution was accepted. Matters proceeded quickly and smoothly. At exactly 1400 hours, the officials all sped away in their cars. That concluded a day of work!

As for the deputy general director, he walked around our enterprise for several hours. It was his company that had installed the automated machine system for us. He made a number of helpful suggestions and then left for the Noi Bai airport, from where he flew to Saigon. And the next day, he returned to Paris.

11943

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PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

CONGRESSES TO STREAMLINE, REJUVENATE PARTY COMMITTEE RANKS

Hanoi NHAN DAN in Vietnamese 28 Jul 86 pp 3, 4

['Party Building' column: "Some Problems on Streamlining Party Committee Echelons through Party Organization Congresses at all Levels"]

[Text] The election of party organization executive committees with the true abilities to lead completion of the new missions while simultaneously ensuring a succeeding and continuous spirit in the construction of party committee echelons is one of the foremost requirements in the process of organizing party organization congresses at all levels. It is necessary, on the basis of ensuring the standards of party committee members and through an examination of the work of each individual during the past, to select individuals measuring up to the structural requirements of the party committee echelon.

The preparation of personnel for the party organization congresses at all levels during the recent past has been conducted by local areas in a relatively active and urgent manner and has achieved initial results. Nevertheless, there are also a number of problems worthy of attention, especially in the age structure and the worker and female cadre components of the party committee echelon.

Compared with previous regulations on streamlining the party committee echelon, the Secretariat of the Party Central Committee this time is permitting an expansion in the number of regular party committee members and an increase in the number of alternate party committee members in order to ensure the total leadership mission requirements of the party committee echelon, while simultaneously increasing the number of committee members who are young, female cadres and workers directly engaged in production. This course is aimed at creating conditions for boldly renewing the structure of the committee echelon, both to ensure the requirement to streamline the party committee echelon first of all, and to properly prepare for future committee echelon terms. This action is also to have reserve forces for streamlining the upper level committee echelons in a positive and planned manner, and to ensure a succeeding and continuous spirit and a thorough understanding of class policy in building the leadership cadre ranks of the party.

However, because there is still no clear recognition of the requirements noted above and the concept of party committee member standards is still not truly accurate, the committee echelon personnel estimates in a number of localities have still not strongly and concisely expressed the requirements for renewing the committee echelon structure and "rejuvenating" the leadership cadre ranks.

Naturally, it is necessary first of all to select party committee members who are individuals with sufficient standards, qualities and abilities as stipulated by the Directive of the Secretariat, and at the same time with the proper structure to make an important contribution toward ensuring the leadership quality of the party committee echelon.

The problem posed first is to strengthen the number of young cadres already tempered and challenged by party committee participation. In their personnel estimates, a number of provincial and district party committees still have few young cadres. Some district estimates have no one under 30 participating in the party committee echelon. The average age of district and provincial party committees in estimates for this term is higher or nearly the same as the average age of committee echelons when the previous term was first elected, despite the expansion permitted by the Party Central Committee.

In order to overcome the situation above, all echelons must clearly recognize that "rejuvenation" of the leadership cadre ranks is a requirement for renewing party committee quality. It is necessary to emphasize the development of young cadres from the party member ranks with management standards, basically trained in theory and profession, and experienced, tempered and challenged by many years at the basic level, superior individuals with good expectations, for introduction to the committee level. The committee echelon structure must be properly executed, ensuring the three age types as stipulated by the Directive of the Secretariat: in the 40 to 49 age group (provincial level), there must be many under 45; in the 35 to 45 age group (at the district level), there must be many under 40. In making personnel preparations, the maximum number of party committee members must be used to select additional young party members for the committee echelon, including the standing committee of the party committee.

In the provincial and municipal party committees, there must be a number of members under 40 in order to reduce the average age to about 45. The ward and district levels must have a number under 30 to reduce the average age to about 40.

It is important to overcome the still fairly prevalent feudal style party level concept, hierarchy and order. It must be affirmed that, in the party committee structure, we can choose and introduce many young cadres with sufficient qualities and capabilities to replace those who are old or lacking in ability.

It is necessary to further emphasize the introduction of direct production workers to party committees of wards and districts (in locations with many industrial facilities), and even to enterprise party committees.

Based on the specific situation of each ward, district and city (locations with many industrial enterprises), an appropriate proportion of workers participating in the committee echelons must be set. The introduction of workers to the committee echelon is a matter of principle for ensuring party committee quality; not only ensures the stability of the committee echelon when faced with difficulties and challenges but also the capabilities to closely lead production practice and the lives of the laborers; and simultaneously also creates a source of leadership cadres from workers directly engaged in production for

upper level committee echelons in subsequent terms. During this party congress period, it is essential to introduce party members who are direct production workers to all enterprise party committees (with a suitable number: at least four to five if the number of party committee members is 19 to 21). According to guidance from the Organization Department of the Party Central Committee, any location not correctly implementing this directive of the Secretariat will be directed by the upper level committee echelon to hold a supplementary election for the committee echelon before party committee approval is granted. The districts with many industrial facilities (usually in the suburbs) must also introduce at least two to three outstanding workers with sufficient standards to the committee echelon; in wards with basic enterprise party organizations, the number can be much greater. At the same time, an elementary and advanced training plan is necessary to introduce many more direct production workers to committee echelons in subsequent terms.

Party committee standing committees, especially secretaries, must know how to suggest matters for worker committee members to prepare and present at meetings, have good methods of training and assistance, and create conditions for helping these members to develop their full responsibilities and capabilities in the collective leadership of the party committee echelon.

The party congresses at all levels this time also have a responsibility to increase the number of female party members in party executive and standing committees. A number of localities have prepared to introduce an additional number of female cadres to committee echelons but due to the slight increase, the proportion of female committee members is lower, or at least not higher than before.

The introduction of female party members with sufficient standards to the committee echelon is still restricted by the tendency to be narrow-minded when evaluating the qualities and capabilities of female cadres, or the demand that female party members entering the committee echelon have operational conditions and capabilities similar to their male counterparts. The actual situation must be reexamined in order to properly supervise efforts to overcome this deviant tendency. In wards, districts and basic units, it is necessary to have at least a number of female committee members corresponding to the number of female party members in the party organization. Provincial and municipal levels must increase the proportion of female cadres in the committee echelons by a much greater degree than previous terms, ensuring at least 10 percent and up.

How should those approaching and at retirement age or lacking the strength to fulfill their responsibilities in the new committee echelon term be handled? Some locations have suggested that committee members reaching retirement age (56 to 58 years old and up) by the middle of the coming committee echelon term should not be introduced to the committee echelon. There are also locations desiring a cushioning step allowing these members to retire at the end of another term.

Regarding these cases, the Organization Department of the Party Central Committee provides the following guidance:

Generally speaking, party committee members reaching retirement age will do so with the exception of the specific cases of a few key positions at provincial and municipal levels demanded by work requirements or when requested by the Central Committee to remain in the committee echelon.

Those nearing retirement age (about 57 or 58 years old) who will exceed retirement age by the end of their party committee term, if now weak in health or ability, must withdraw from the committee echelon and accept another commensurate assignment. If a member is still healthy and able to work but there is a young cadre with sufficient qualities and abilities to shoulder the job, after examining the short and long-term benefits, if deemed more favorable, the young member will be advanced. Only in cases where it is truly impossible to find a replacement (including requests to vertical sectors and upper echelons to send someone) and examination indicates that the old member can still develop a positive effect will the collective make a careful determination and allow the member to remain, but a successor cadre must be defined immediately to replace him when necessary.

Those members holding key positions in the committee echelon who now are placed in appropriate jobs at lower positions because of their approaching retirement age will continue to draw full salary and allowances until their retirement.

The party committee structure must answer the requirements for raising the quality of economic, national defense and security leadership, strengthening party and mass work, and ensuring close contact with lower echelons and the basic level.

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CSO: 4209/800

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

PARTY MEMBER CRITICIZED FOR LAVISH LIFE-STYLE

Hanoi LAO DONG in Vietnamese 19 Jun 86 p 2

[Party Builders Mailbox column by Nguyen Trung, Nam Dinh City: "A Party Member Lives Like That?"]

[Text] On 15 February 1986, a large and noisy birthday celebration was held in Hanh Thien Hamlet, Xuan Hong Village, Xuan Thuy District, Ha Nam Ninh Province, at the house of Dang Thanh Quang, who held a party to celebrate his mother's 70th birthday. During the 3-day period, they killed three hogs, with each hog weighing more than 100 kg, and 25 chickens. They drank large quantities of liquor and beer. Cars transported guests from Nam Dinh to Hanh Thien, a distance of 34 km. The spacious courtyard was filled with people. It became very noisy when 20 meters of "victory" firecrackers were exploded. This was a very big party. People in the city and district asked each other: "How did he become so wealthy? What does he do that he can afford to live so expensively?" Many elderly people said that this birthday celebration was even bigger than those once held here by the provincial chief and minister.

Dang Thanh Quang is the director of the Nam Dinh City Marketing Cooperative. The car that was used is public property, and the gasoline belonged to the agency. The firecrackers belonged to the Chien Thanh Firecracker Plant, a production installation of the Nam Dinh City Marketing Cooperative. As for his house, no one else in Nam Dinh has such a nice house as Quang. His house has all the amenities, from a Hong Kong sofa to a modern sofa from the south worth three-tenths of an ounce of gold. He owns a modern-style chest and mirror, a television, a refrigerator, a Peugeot bicycle, a sewing machine, a coupe, Simson, and other items. He raises 3 German Shepherds, 3 turtledoves, and 10 fighting cocks. He has three fish tanks filled with expensive types of fish. He has also built two other houses to give to his children when they grow up. Every summer, he and his family go to Bai Chay, Do Son or Nha Trang for a vacation.

As a revolutionary cadre and party member, why is Quang so rich while other cadres and party members live frugally on their salaries? During this criticism and self-criticism campaign, I earnestly hope that the Xuan Thuy District CPV Committee and the Ha Nam Ninh Provincial CPV Committee look into this matter and see if he is acting in a manner befitting a member of the Communist Party of Vietnam.

11943

CSO: 4209/818

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

MANY COMMUNIST YOUTH PROJECTS CONSIDERED MISTITLED

Hanoi TIEN PHONG in Vietnamese 24-30 Jun 86 p 2

[Article by Luong Van Khao, 1a 8202 Cao Bang: "Such Cannot Be Called a Communist Youth Project"]

[Text] Through actual practice in youth work in the army and in many basic units in the rural area, I believe that a communist youth project must first of all be a place to concentrate the intelligence and creative abilities of the young; through that, to train the new man and many advanced collectives and individuals, and from that, to recommend many outstanding youth union members to the party and admit many youths to the youth union. A communist youth project must symbolize force mobilization, organization method, labor spirit and project quality and effectiveness.

When economic projects (such as water conservancy, hydroelectric stations, orchids, gardens, etc.) are called communist youth projects, they must be of high economic value, carried out by the youth union organization, and effectively support the unit's own local area.

In reality however, because many union cadres have still not yet realized the full meaning of communist youth projects and also because they receive little leadership and supervision attention from party committee echelons or assistance from local administrations, many are still forced to bear the name of communist youth project in order to gain recognition. Some locations foist off such simple tasks as weeding, spreading fertilizer, general sanitation, road repair, etc. as communist youth projects. There are also some projects bearing the name communist youth that are both loose in form and poor in theme. For example, a unit "traditions building" project that is an old and loosely thatched structure containing a pile of shovels, buckets, baskets, etc. It not only has no educational effect but also gives a bad impression of a cultural project.

Basic youth union organizations must not make general appeals or plunge into formalism before giving concern to the project theme and significance, and giving every job the "cloak" of a communist youth project. I have noticed in many locations that the results of such activities are empty, in form only, "beating drums and waving banners," and finally leave no trace of the so-called communist youth project.

Actually, youth union organizations in some locations still use the pretext that because there is no supervision from upper echelons and no concern from

the party committee, local administration or command, the activities are not positive. Conversely, some locations accept a project but fail to organize operations for the "slate," work only perfunctorily, and make noise without calculating the economic losses (in army units, there are also places where the labor concept and operations follow a "military labor like river water" style. Thus, no matter what the project, it is not in keeping with the meaning of a communist youth project.

The success of a communist youth project is also the result of concentrated strength. It is the leadership of party committee echelons, the supervisory concern of local administrations, command levels and related sectors, and the collective strength of a majority of the youth masses. Consequently, a communist youth project separated from the relationships above cannot exist and cannot succeed.

7300

CSO: 4209/795

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

YOUTH FOOD STAND LOSES CUSTOMER CONFIDENCE

Hanoi TIEN PHONG in Vietnamese 24-30 Jun 86 p 4

[Article by Xuan Ba: "Has Hon Market Store Youth Stand Won Prestige and Customer Confidence?"]

[Text] Sad Figures

The Hon Market food store for some time had many customers satisfied with the attitude and service formula. The model service of the store's youth stand continuously won customer confidence with an attitude of affable service, ensured goods quality and quantity, home delivery to agencies, the families with few helping hands, of wounded soldiers, fallen heroes, etc. However, what about the past 2 years?

The self-criticism and criticism drive has shown that cadres in charge of the store are violating sector regulations by reserving special interests and benefits to purchase the best goods for themselves and their close friends. A full 100 percent of the team chiefs and deputy chiefs have taken advantage of their function to purchase choice goods for themselves, reserve goods for division among the team members, and reserve goods for collusion with general merchandise stores to obtain easy goods approval. Some have purchased meat and taken it home for processing in search of profit. What about the clerks? The 37 clerks in the store (100 percent) have made various types of erroneous sales, leading to incorrect prices to acquire surplus funds. Some have reserved the choice goods for themselves, their relatives and friends, etc. An impolite and short-tempered attitude with the customer is widespread. A small number of the clerks short-weigh goods to obtain surplus funds, purchase improper goods in search of profit, etc.

The activities of the "model service youth stand" usually only emphasize the stand's display and form, customer service attitude, etc., but not production organization to raise the management and vocational standards of the clerks, nor the struggle against negative occurrences. The plan for self-organization and exploitation to acquire many goods for sale at the stand is not being implemented. There are only a few items for sale and the business volume is low (at the highest level only 50,000 to 60,000 dong daily). The clerks like to sell only pork because of its high business volume and easy "turnover." Other essential goods but of low business volume such as fish sauce, dried fish, salt, etc. are not "appealing" to the clerks.

Many violations have occurred (as stated above) but when the youth union chapter arranged for criticism and opinions from the responsible cadres in the store (by a form of secret ballot), all of the ballots were marked good! Could it be that the youth union members in the store dare not straightforwardly speak the truth because they are still afraid...afraid of being fired like a number of clerks who complained.

Correct Whatever Is Wrong

There are many objective reasons leading to the violations as the authorities of the store told us: Due to the differences caused by the dual price mechanism (the price of free market pork and the price of that supplied by ration stamps and coupons), some clerks have made substitutions to benefit themselves. A number of other clerks reflected that with the sales formula (of assigning an entire hog to a clerk for self-processing, classification, etc.), the clerk benefits and the customer loses. Because of the ration stamp and money proportion regulations for each hog, the clerk easily reduces the pork from category I to II and from category II to III. Thus, loin becomes shoulder, flank is scraped, feet have no collars (the portion left at the top of the foot after cutting), etc. Taking advantage of consumer psychology to stand in line and wait a long time to buy what they want with few thinking about the meat quantity and quality, the clerks have increasingly made sales contrary to specifications.

The store leaders have straightforwardly acknowledged the objectively created shortcomings. A series of methods for resolutely correcting these shortcomings has been set forth: strictly forbidding clerks from having an impolite attitude toward the customers, and from leaving the stand to engage in private work during sales hours. From 1600 to 1800, meat, fish, beancake (if available), sauces and salt are sold to serve cadres and workers at quitting time. Weighing and measuring must be accurate and prices for all items correct with no choice goods reserved for themselves or their acquaintances. Choice goods sales must be truly equitable (lean rump pork not to exceed .5 kilogram per sale). Clerks must wear work uniforms with their name on the front. Internal sales schedule regulations must be formulated; model scales must be left out for customer inspection and "phantom" scales and weights must be replaced; hogs will not be assigned to store personnel for preparation and classification as before but will be done by the warehouse detachment, etc. Any violation of the regulations will result in a transfer to production labor in another location, and repeat offenders will be expelled from the sector. The youth stand is presently implementing the points of these regulations.

Will the youth stand and Hon Market food store regain prestige and customer confidence by strictly and conscientiously implementing the new management regulations? The youth stand and store are warily suggesting that customers follow closely and assist clerks in properly complying with these regulations.

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ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

MERCHANTS SAID MISUSING BUSINESS ASSOCIATION PRINCIPLE

Hanoi TIEN PHONG in Vietnamese 24-30 Jun 86 p 3

[Article by Viet Dung: "Behind the 'Business Association' Stores"]

[Text] On Cach Mang Thang Tan Street in Ho Chi Minh City, from the Bay Hien intersection to Hoa Hung Market, are 136 "Business Association" stores. On an even shorter section, from Lang Cha to the Bay Hien intersection, there are also more than 40 other "Business Association" stores. There are large and small signs in all colors: "Food and Beverage Business Association," "Hardware and Appliance Business Association," "Western Medicine Business Association," and then southern medicine, fresh food, sundries, furniture and coffee shops to barber shops, artificial teeth, bicycle and motorbike repair, etc. Nearly everything related to the consumption of the laborer has a "business association store." On the outside, it appears that this area has done well in the transformation of private operators, price stabilization, etc. However, what is the true nature of the business in these stores?

At the "Food and Beverage Business Association No. 75" shop on Cach Mang Thang Tan Street, there is a rice noodle cart, a bar and 10 tables. Not long ago, when this shop still had the sign "Bac Ha Rice Noodles," its seating capacity was smaller than it is now and there was only one noodle cart and six tables. At that time, the shop had Mr. Tu Map, the proprietor, and his four children as "employees." Now a "business association" with the Tan Binh Ward Food and Beverage Corporation, the shop still has Tu Map as its proprietor with his four children as service personnel but no one has been dispatched there from the Tan Binh Food and Beverage Corporation. Mr. Tu Map has sole authority for setting receipts, expenditures and prices.

I asked him, "If that is so, what is the point of a business association?"

Mr. Tu Map rolled two of his fingers together as if counting money, winked his eye and replied, "You are a lot of trouble! The building and the capital are mine and the corporation has the state name and legal status so why shouldn't it be called an association? Do you know that I must pay the corporation 15 dong every day, not counting the cadres and personnel of the corporation who eat here without paying?"

I laughed, "So each day, this shop makes an official payment to the 'association' side of one bowl of noodles. How about the taxes?"

"I only know about paying the 15 dong and that's all. Taxes are the concern of the corporation," Tu Map replied.

I know that before, when the "Bac Ha" sign was smaller than the food and beverage "business association shop" sign, Tu Map had to pay a monthly tax of 1,500 dong (in new currency). Thus, by now paying a daily 15 dong to the Tan Binh Ward Food and Beverage Corporation, he pays 450 dong monthly. Only simple subtraction is required to see the shortage for the state. Even more noteworthy is that this shop is still operating in a private commerce manner, arbitrarily raising prices and gouging the customer to make a greedy private profit.

At the hardware and appliance "business association" store at 120 Hoang Van Thu Street, the management method is completely similar to that at Food and Beverage Shop 75. The proprietor is the husband; and the treasurer and bookkeeper is the wife. The dozens of TV sets and radio cassette players displayed on the counters belong to them and the prices are set by them in accordance with the free market. Their sole obligation is to pay 40 dong daily to the Ward Trade Corporation.

While I was talking to the owner and his wife, a youth rode up on a Honda. After a firm and amicable handshake, the owner offered the youth a cigarette. The youth laughed and whispered in the ear of the store owner, "The corporation has acquired 100,000 Viettronics and you will receive two. Take this invoice this afternoon and pick them up."

The owner took the invoice and gave it to his wife. She grabbed the invoice, took four 500-dong bills out of her pocket and slipped them into the hand of the trade corporation employee. Taking the money, he added, "In the future, it will cost you more because I hear the price of TV's is going up!"

The old store owner laughed crazily, shaking his head like a fat catfish.

An agent for the Tan Binh Ward economic security force took me to visit dozens of "business association stores." Every one of them had a situation of collusion and gambling trade hidden behind the "business association" screen. The agent told me, "Recently, in five 'business association stores' selling western medicines, counterfeit drugs were slipped out year-round for sale to the sick. Dozens of 'business association' restaurants and general merchandise stores were caught in the act of receiving goods with stipulated prices from the corporation and selling them at black market prices, all kinds of valuable and scarce items, with extremely great price differences."

Inconsistencies in the "business association" formula must be immediately corrected, goods sources and prices must be firmly managed, and budget collection must be rationally stipulated. This is an urgent requirement for everyone.

7300
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3 October 1986

AGRICULTURE

VIETNAM

STRICT CONTROL OF LAND URGED

Hanoi NHAN DAN in Vietnamese 31 Jul 86 pp 1, 4

[Editorial: "Strict Control of Land"]

[Text] Our country's land area is not large. As of 1985, natural land per capita was only 5,642 square meters. Land is not used, however, in a truly rational and proper manner, causing substantial waste and low efficiency.

To be able to use land appropriately and make it more productive in agriculture, forestry, fishery, capital construction, and other fields, we must first of all firmly control, clearly understand, and strictly manage our land resources. Only on the basis of these facts can we lay the scientific and tangible groundwork for exploitation and the use of land and its management in an effective manner. Accurate data on superficieses, categories, quality, and extent of use are excellent guidelines for production units not only to examine, modify, and polish off production plans but also to implement party and state strategic policies aimed at readjusting land ownership, redistributing manpower and populations, and conducting planning and drawing up plans for economic development to exploit and use labor and land potential and push our economy forward.

Since mid-1981, to achieve firm control of land resources, localities throughout the country have engaged in land surveys, classification, and statistical registration. By now, 14 provinces and cities, including 2 rice granaries—the Mekong River delta and the Bac Bo Delta—have basically completed that work.

The results of surveys and classification of land—to begin with agricultural land, especially rice land—have enabled localities and installations to fix reasonable contract production norms, make plans for soil transformation and suitable production investments. Complete and accurate data on statistical registration—superficieses, categories, quality, and use of each plot and field—have also helped localities put together a system of land records and state cadastral maps at each level—a scientific and legal basis for the state to handle land management. At the same time, however, survey, classification, and statistical registration work indicates that our land mass is not large, with less than one-half its superficieses currently in use (49.56 percent), including 20.51 percent only for agriculture. Unused land still accounts for a

relatively high percentage (over 50 percent) and consists mostly of barren land (42.3 percent).

In recent years, although the localities have striven to open new land, farmland has shriveled, due to illogical exploitation and usage that has caused land to degrade and lie fallow, and due to shifts of focus from farming to afforestation and other special purposes, particularly housing construction. In agriculture, annual crop acreage--especially rice acreage--has decreased. Likewise, forestland has shrunk considerably, currently accounting for only 24.15 percent of the natural total; conversely, the percentage of deforested land and bare hills and mountains has steadily gone up.

Irrational use of land stems largely from loose management. Illegal cultivation (on land owned by others) and part-time farming are still widespread in the southern provinces, not only reducing production efficiency but also creating fissures in land management by the state. Rather serious violations of policies and laws on land management and use still exist in various forms--unauthorized distribution, misappropriations, purchases, sales, transfers, and the pawning of land and the somewhat widespread practices of using agricultural land wastefully for capital construction and of making bricks and tiles in a disorderly fashion on farmland far beyond the limits of the law....

The localities should promptly complete work on surveys, classification, and statistical registration in the remaining areas to achieve firm control of land and create favorable conditions for doing so nationwide. That work must be seen as a regular activity for the land management sector because land is subject to nature and man to constant variations and changes.

In light of survey, classification, and statistical registration results, all installations, localities, levels, and sectors, and particularly responsible organs, should identify their flaws, weaknesses, and loopholes in land management, unauthorized distribution, misappropriations, and unlawful use of land.

It falls to all echelons and sectors to engage in land management, thus permitting every inch of land to be used properly and generate the highest yield and efficiency.

9213/12859

CS0: 4209/802

AGRICULTURE

VIETNAM

TEA COOPERATIVE AVOIDS STATE OBLIGATIONS

Hanoi NHAN DAN in Vietnamese 29 Jul 86 p 2

['Through Readers' Letters' column: "A Cooperative 'Dodging' Obligations"]

[Text] Phong Lai 2 Cooperative in Thuan Chau District of Son La Province was issued 1,000 dong and 6 tons of grain by the state to raise tea. Later, the bank also loaned the cooperative 600 dong per hectare for intensive cultivation of 55 hectares of tea in the new economic area of the cooperative. The province allowed this cooperative to pay its taxes in money in order to retain the grain for sale to the tea growing cooperative members. Generally speaking, Phong Lai 2 has been fairly completely supplied by the state.

However, when the dried fine-leaf tea was harvested (nearly 3 tons annually), the cooperative did not deliver it at the supervised price. Thanks to help from state agencies, a fairly large amount of other products such as peanuts, beans, etc. was harvested from land assigned to the cooperative members but the cooperative also failed to fulfill these obligations to the state!

Binh An
Son La

7300
CSO: 4209/800

AGRICULTURE

VIETNAM

RUBBER PLANTATION INCREASES OUTPUT

Hanoi QUAN DOI NHAN DAN in Vietnamese 11 Aug 86 p 1

[VNA News Release: "Ben Cui Rubber Plantation (Tay Ninh) Taps, Processes 310 Tons of Dried Latex"]

[Text] During July, workers at Ben Cui Rubber Plantation in Tay Ninh collected 50 tons of finished product latex (processed sap), raising the amount of latex collected during July to 310 tons. This amount of latex exceeds that collected during the same period in 1984 and 1985.

Annually, the 4th quarter is the period in which the rubber tree produces the most sap and is also the primary tapping season. The plantation has inspected the entire more than 800 hectares of rubber trees to classify the trees and assign suitable norms to each worker, team and unit. According to the level that the contract is exceeded, the plantation will award the workers 1.4 to 1.7 dong per liter of sap. In the care step, the plantation also assigned norms for tending, grove sanitation, fertilization, etc. to create conditions for workers to exceed their contracts.

Through assignment of contract norms, the plantation has formed three-man teams to create conditions for the workers to help each other in production with the purpose of ensuring planned tapping of the entire number of rubber trees.

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AGRICULTURE

VIETNAM

FOREST FIRES CAUSING CONSIDERABLE DESTRUCTION

Hanoi NHAN DAN in Vietnamese 29 Jul 86 p 1

[Unattributed article: "Forest Fires Decline but Still Burn 5,094 Hectares"]

[Text] According to a review of forest protection management during the past year of 20 provinces, many local areas have done well in organizing forces of the masses in the prevention and control of forest fires. Minh Hai Province has completed installation of a shortwave radio system to support forest fire prevention and fighting. Many other localities have constructed additional fire prevention perimeters and towers. Compared with the 1984-1985 dry season, there was a 40 percent reduction in forest fires during this dry season in 20 provinces. Many provinces have conducted active fire prevention and control from the very beginning of the dry season such as Minh Hai, Nghia Binh, Nghe Tinh, Kien Giang, Long An, etc. Lam Dong, a key province in forest fire prevention, has shifted part of its forestry funds to the forest protection step. Although attention was given to prevention and control from the beginning, there have still been 5,094 hectares of forest destroyed by fire during this dry season (up until 15 June), including 1,749 hectares of planted forest. There were 1,554 hectares destroyed by fire in Lam Dong, 825 hectares in Dac Lac, 683 hectares in Gia Lai-Kontum, 418 hectares in Song Be, 405 hectares in Thuan Hai, 408 hectares in Son La, 237 hectares in Quang Ninh, 251 hectares in Ha Son Binh, etc.

Destruction of the forest to build slash-burn fields for the cultivation of industrial crops is still fairly widespread in many locations. Many localities still have no methods for actively halting and promptly fighting the burning and destruction noted above.

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AGRICULTURE

VIETNAM

BRIEFS

ILLEGAL USE OF LAND- NHAN DAN newspaper published in its "Through Readers' Letters" column of 18 June 1986 a criticism of Ky Phu Village (Dai Tu, Bac Thai) for leaving land untilled. After studying that column and strictly reviewing the matter, the CPV committee and people's committee of our village recognized that the readers' input was correct and that the practice of leaving farmland untilled by building brick and tile kilns and houses on it did occur. In recent years, land management in our village has been remiss. No measures have been taken to thwart violations of land policy. To overcome these shortcomings, since this 10th-month crop we have assigned 10 "mau" of uncultivated land to Binh An Cooperative for management and use. At the same time, we have decided to stop the illegal making of bricks and tiles and restore the areas previously misused for that purpose in Binh An and Phu Duyen cooperatives to agricultural production. We sincerely thank your readers for helping us manage the land in keeping with state laws and bring tangible interests to our locality. [Text by Nguyen Van Cat, people's committee chairman, Ky Phu Village, Dai Tu District, Bac Thai] [Hanoi NHAN DAN in Vietnamese 31 Jul 86 p 2] 9213/12859

CSO: 4209/802

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

INDUSTRIAL DEVELOPMENT IN NAM BO DISTRICTS DISCUSSED

Hanoi NONG NGHIEP in Vietnamese 5 Jul 86 pp 4, 5

[Article by Dinh Phien, Ho Chi Minh City: "Expand Industry in Order To Form an Agro-Industrial Structure in the Districts in Nam Bo"]

[Text] Since 1978, industry in the districts in Nam Bo has expanded quickly. Many districts have expanded small industry and handicrafts at the primary level, gradually tied agriculture to industry, related production to processing, and formed an agricultural-fishing-industrial or fishing-agricultural-industrial economic structure in the districts. The following are a few examples:

Thong Nhat District in Dong Nai Province was formed after liberation. It did not have any industrial bases. Now it has 8 state enterprises, 15 small industry and handicrafts cooperatives, and 63 cooperation teams. The value of industry in 1983 accounted for 25 percent of the gross value of agriculture and industry. After liberation, Long Phu District in Hau Giang Province had only 10 mills and 4 forging furnaces. Now it has 60 mills, 55 machine repair installations, 209 sugar mills, 13 building materials production installations, 35 textile installations, and 17 ice plants. The value of industry and handicrafts has risen to 240 million dong, of which state operations account for 20 percent. During the war, Cu Chi District in Ho Chi Minh City had very few industrial installations. Now there are four sectors: the agricultural products and food processing sector, the building materials sector, the furniture sector, and the agricultural-support machine sector. There are 20 state enterprises, 5 cooperatives, and 9 cooperation teams. In 1984, the value of small industry and handicrafts was 126 million dong, which accounted for 30 percent of the gross value of agriculture and industry. Immediately following liberation, Giong Tron District in Ben Tre Province had to be given aid to prevent starvation. From expanding agriculture, the district has advanced to expanding industry. It has mobilized its strength to cultivate rice intensively in order to have enough grain. At the same time, it is again growing coconut trees and sugar cane and producing raw materials for industry. As of the end of 1985, the district had 14 state enterprises and 1,000 small industry and handicrafts installations, and the value of industry had risen to 257 million dong, accounting for 23 percent of the gross value of agriculture and industry. In Ngoc Hien District in Minh Hai Province, there are 90,000 hectares planted in mangrove trees, and the coastline extends for

115 km. Each year 30,000-50,000 tons of marine products can be caught and hundreds of thousands of cubic meters of firewood can be cut. But because of the lack of industrial installations, the quality of the shrimp declined, the firewood was wasted, and the laborers had little work. At the beginning of 1984, together with the province and the Ministry of Marine Products, the district invested in building four ice plants, five electric power stations for five key villages, a refrigeration enterprise, a ship-repair machine enterprise, a timber processing enterprise, and a coal mining installation. As a result, in 1984, marine products yields reached 22,000 tons and provided good support for exports. Also, 100,000 tons of firewood were cut. In 1984, the value of the products of the fishing and forestry sectors was 1.5 billion dong (old currency). Hoa Thanh District in Tay Ninh Province has transformed private industry and formed an agro-industrial economic structure to support agriculture, exports, and life. As a result, by the middle of 1985, it had transformed all of the private industrial installations. This includes 19 machine installations, 51 manioc processing plants, 20 sugar mills, 66 rice mills, and 19 build materials installations with gross assets of 63,746,655 dong and 3,656 laborers. Seventy percent of these are state-operated installations.

What is worth noting is that many districts have tied building up and transforming small industry and handicrafts at the district echelon to transforming and building up handicrafts at the production installations, agricultural cooperatives, and production teams. Many agricultural cooperatives and production teams in Cu Chi, Giong Trom, Cai Be, Cai Lay, Hong Ngu, and Thot Not districts have organized and built small industry and handicrafts installations along with agricultural installations. During the process of building industry, the districts have formed and are forming a mutual-help relationship between industry in Ho Chi Minh City and the province and industry in the districts.

However, experiences in building and expanding industry in the districts have also revealed many shortcomings. As of today, some districts still do not understand that the policy of building and expanding industry in the districts is aimed at transforming the districts from purely agricultural districts into districts with an agro-industrial economic structure in order to exploit the arable land, labor, occupations, and material and technical bases better and expand agriculture in the direction of intensive and specialized cultivation so that it gradually advances to large-scale socialist production. Experience has clearly shown that all the districts in Nam Bo can expand small industry and handicrafts. If the party committee echelons there understand things and take an all-round view, there will be creative policies and flexible and resolute measures for organizing and implementing things.

On the other hand, to expand the agriculture-fishing-forestry structure in the direction of concentrated, intensive, and specialized cultivation, it is essential to expand industry at the district level. Conversely, to expand industry in the districts, it is necessary to concentrate first on expanding agriculture-fishing-forestry in the districts, produce the raw materials necessary for industry, and exploit the raw materials now existing in the localities.

Building industry requires making large investments and having many relationships. Thus, it is essential to have plans. This will be very difficult for the districts to accomplish alone. It is essential that the provincial industrial sectors cooperate and provide support. In particular, the industrial sectors in Ho Chi Minh City have a central role to play. The practices, traditions, potential, strengths, and economic structure of each district are all different and so the sectors, structure, and stages of industry in each district will differ, too. Some districts will give priority to this sector while other districts will give priority to some other sector. The important thing is that the sectors produce the best results possible.

11943

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HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

LAM THAO SUPERPHOSPHATE PLANT DESCRIBED

Hanoi TIEN PHONG in Vietnamese 24-30 Jun 86 p 8

[Article by Chu Dai Cuong, A2 Lam Thao Superphosphate Plant, Vinh Phu: "An Invitation To Visit Lam Thao Superphosphate Plant"]

[Text] If you have an occasion to ride the train from Hanoi to Lao Cai, you are invited to get off at Tien Kien Station and follow the Phu Lo-Lam Thao road to visit our plant.

The Lam Thao Superphosphate Plant was designed and constructed by the Soviet Union to assist our people. Construction began in 1959 and the plant officially began production in June of 1962.

On a 4-square kilometer piece of level land in the midland hill region (of Vinh Phu Province) bordered on the west by the Red River and on the east overlapping the foot of Nghia Linh Mountain (the capital of Emperor Hung in ancient times), this imposing and magnificent plant is a symbol of Soviet-Vietnamese friendship. With many modern, automatic and interconnected machines, high oper-air tanks and towers, advanced cooling structures, four primary shops, five secondary shops, and an extremely "distinctive" and well-ventilated machine enclosure design, the Lam Thao Superphosphate Plant is one of the most modern in Southeast Asia. Through three expansions, plant capacity has grown from 100,000 tons to the present 320,000 tons per year.

The plant has a tradition of continuously completing and surpassing planned levels for the past 23 years. The hero title is the highest award reserved for our plant by the party and state. The 3,000 cadres and workers in the plant are presently engaged in a seething emulation movement for 320,000 tons of superphosphate to support the beloved fields and export.

Standing on top of the 100-meter-high smokestack (from the hill surface) on a beautiful sunny day, you can see the entire plant and the rich and beautiful midlands, home of the "fan palm forest and tea hills." You can see the smooth but beautiful green eucalyptus slopes in the legend of 99 elephants turning their heads toward home. Or a section of the shining silt-laden Thao River with its newly constructed Xuan Duong pier which people feel is actually a beautiful feature of ancient Princess Mi Nuong who "went down to the bank of the Red River to teach the people how to plant mulberry and transplant rice." And, farther away is the "river confluence" city [Hanoi], hurriedly engaged in night and day socialist construction.

The young people at our plant lead a wholesome and active life, especially in the movement to advance into science and technology, and the cultural and arts and letters movement.

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

INCREASED AUTONOMY SPURS CEMENT ENTERPRISE DEVELOPMENT

Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Aug 86 p 3

[Article by Nguyen Dan Quyen: "Changes at Enterprise 1 (Military Region 7)"]

[Text] For several continuous years, plan achievement at Enterprise 1 (specializing in cement production) of Military Region 7 has not been "relaxed." At times it accumulates too much and at times it is too leisurely. The primary reason is a lack of autonomy in material sources. Because the raw material sources are supplied by higher echelons and rarely self-created by the enterprise, they are irregular. During 1986, the norm for total goods output value is more than 18 million dong (an increase of 20.3 percent over 1985). In accordance with the new production course of the Military Region, Enterprise 1 has boldly used its own cement product to exchange with the local areas and nearby units for the primary materials for production development. Through economic contracts, the enterprise during the 1st quarter of 1986 acquired 36,000 liters of oil, 500 tons of stone, 250 tons of coal, 700 tons of clay, 200 cubic meters of lumber and 10,000 cement sacks (comprising 70 percent of the self-acquired material of the enterprise). Due to autonomy in the material step, the enterprise during the first 6 months of the year gained the initiative in the production plan and delivered to the Military Region more than 50 percent of the cement norm for the entire year, promptly supporting the missions of construction, training, combat readiness and combat of the armed forces of the Military Region. Thanks also to production association and joint enterprise, Enterprise 1 has fully utilized sources of surplus labor and its own strengths, and has coordinated with nearby units to organize production of secondary products such as fibre cement roof panels, patterned brick, quicklime blocks, etc.

To eliminate the old methods of state-subsidized operation and the "soldier labor like river water" ideology still scattered among the cadres and workers, the enterprise conducted a study of labor norms with a method of timed photography of each work step, and on that basis rearranged the labor during each component and re-rationalized the production line steps.

During the task of renewing the production management mechanism, the enterprise assigned the general use of production tools to labor teams and units, instituted piecework wages, and promoted a technical improvement regulation movement. During only the 4th quarter of 1985 and 1st quarter of 1986, the enterprise had eight valuable technical innovations and improvements. Of special interest was the innovation for improving the system of loading raw materials into the reverter by a method of spreading a thin layer of material inside and maintaining

a steady flame in the center, raising the proportion of cooked clinkers to more than 80 percent and reducing the ash proportion from 20 to 16 percent. With this idea, the enterprise has raised the quality of old Vietnamese standard P.300 cement to new Vietnamese standard P300 cement. In innovations to restore and improve technical equipment, besides successfully improving the material transportation carts for 2.3 times greater durability, methods to resist waste in the transportation step have assisted in reducing product costs. The enterprise is also studying the replacement of parts that quickly break down and stick, and improvement of the belt transmission spindle joint. The enterprise has also self-cast the base for a 12-ton per hour ball mill with reinforced concrete to replace the previous portable iron base, increasing the stability. During construction, the enterprise replaced the original 25-ton structure of the base, saving 26 cubic meters of concrete.

Due to the active renewal of the management mechanism, creation of material sources, strengthened association and joint enterprise, and promotion of the innovations movement, during the first 6 months of the year, the enterprise raised labor productivity. Compared with the first 6 months of 1985, cement output for the first 6 months of 1986 increased by 71.7 percent, and the average labor productivity of each laborer increased by 89 percent. On the basis of higher productivity, the living standards of the workers have gradually improved and the average monthly income of laborers directly engaged in production is 750 dong.

In the future, the enterprise will strive to contract wage funds to each production team, unit and shop aimed at encouraging and more closely connecting the interests of the worker with production results, will simultaneously take the initiative in creating material and equipment sources through association and joint enterprise, and will urgently complete capital construction projects to fully develop the equipment capacity of the enterprise.

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CSO: 4209/824

TRANSPORTATION AND COMMUNICATIONS

VIETNAM

SEA TRANSPORTATION CHIEF REQUESTS STATE POLICY CHANGES

Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Aug 86 p 3

[Article by Tran Nhon, Director of the Vietnam General Sea Transportation Department: "Removing Obstacles To Develop Sea Transportation Sector"]

[Text] Sea transportation is an important transportation sector with high economic returns. The business return of the sea transportation sector is not only "1 in capital, 4 in profit" but, according to world experts, returns 5 to 10 dong for every one invested. During the past few years, with the concern of the party and state, the sea transportation sector has rapidly developed. The sector has annually transported millions of tons of cargo and brought in tens of millions of dong in foreign exchange for the state. However, the sector has not fully developed its still extremely great potential. Many objective and subjective factors have created obstacles restricting the effectiveness of the sector during the recent past. A bureaucratic and state-subsidized management mechanism prolonged over many years has stifled the dynamism and autonomy of basic units and the entire sector. The unbalanced economy, unstable agricultural and industrial production, and a series of other factors, including the failure of cargo masters to strictly implement economic contracts, have caused supply bases and sources of the sea transportation sector to constantly fluctuate and have created a great many difficulties in the rational exploitation of ship and pier crews. Recently, despite the concern of the state and the Ministry of Transportation, state investment in our opinion is still limited and the necessary and imperative policy of priority for the sea transportation sector has not yet been achieved. If state investment in the sea transportation sector was more appropriate, the returns would surely be greater and especially, the state would appreciably accumulate foreign exchange--something of important and practical significance to our country during the present period.

Another inconsistency is the scattered condition of ship crew development at the present time. The trend of sectors and local areas to establish their own ship crews has and is developing. During the past few years, because it was still during the period of newly established ship crews, regional and interior interests caused us to clearly and fully recognize the negative aspects of this practice. If this trend continues to develop, management will lack concentration and unity, contrary to socialist economic management principles, and the regionalism and parochialism will cause no small harm to the overall economy of the country.

For the next few years, the missions assigned by the party and state to the sea transportation sector are extremely glorious and at the same time extremely

heavy. To complete every assigned mission and to most actively contribute to the task of developing the economy of the country, the sea transportation sector suggests that the state study and draw up a strategy to develop the sector during the first stretch of the transitional period with specific and effective methods to achieve that plan, especially in rational policies of investment and sector management unification.

Moreover, it is suggested that the state promptly ratify and promulgate the Vietnam Maritime Law; study and promulgate sea transportation incentive systems, policies dealing with boat crew members, allowing and creating conditions for the sea transportation sector to expand association and joint enterprise with foreign sea transportation, to participate in specialized sector international associations, etc. We believe these are effective methods for making strong changes in the sea transportation sector to successfully complete our missions.

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TRANSPORTATION AND COMMUNICATIONS

VIETNAM

COAL LOSSES DURING SHIPPING NOTED

Hanoi NHAN DAN in Vietnamese 31 Jul 86 p 2

[Article by Pham Van, Hung Ha, Thai Binh: "Huge Coal Losses During Shipping"]

[Text] Since we are short of means to measure with precision, the use of waterline marks on boats and ships to determine the volume of total cargo may be seen as the most rational technique. Barges carrying coal for Hung Ha District (Thai Binh) follow that approach in receiving coal in Quang Ninh. However, experience from coal unloading at local ports shows that the waterline technique is dependable only if negative phenomena can be eliminated en route. Boat owners used to clean up the bottom of their embarcations to receive dry coal, but after leaving port they collude with guards to steal coal for sale to private merchants and pour water on the cargo to make up for the losses. Thus, upon arrival, these barges continue to show an unchanged waterline. Those receiving coal know about the losses but must put up with the fraud.

Once warehoused, the coal keeps "evaporating," due to the drying process and thefts. Warehouse keepers mix coal with pebbles, stones, or water to increase the total weight. Some of them were caught redhanded and prosecuted according to the law.

The above-mentioned negative phenomena have inflicted considerable losses to supply and end-user units.

To thwart that situation, we should improve ways to deliver and receive coal. And we hope that responsible organs will consider our suggestions, as follows:

- Coal continues to be delivered to shippers according to the waterline method, but a given volume of that coal should be weighed at both loading and unloading points for discrepancies,
- Coal is delivered to shippers in terms of volume, but a cubic meter of that volume should be weighed at both loading and unloading points for discrepancies.

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HEALTH, EDUCATION, AND WELFARE

VIETNAM

PRESS CRITICIZED FOR INEFFECTIVENESS

Hanoi DAI DOAN KET in Vietnamese 18 Jun 86 p 4

[Article by Thai Duy: "Whom Does the Press Serve?; This article was intended to be one of a series of articles. However, no additional installments have appeared in the subsequent three issues of the source]

[Text] Recently, on 6 June 1986, the Department of Propaganda and Training of the Party Central Committee convened the leaders of press agencies to discuss economic propaganda. At this meeting, one newspaper leader spoke about the dissatisfaction of many newspaper readers and radio listeners through an ironic phrase that has become a slogan, "If you want to buy something cheap, look to the newspaper and radio."

Readers do not highly rate the role of the press in the struggle to prevent the already low standard of living from becoming lower. These extremely urgent, demanding and legitimate expectations have not yet been answered and recently, the press has not only not honestly reflected the extremely difficult lives of the people, cadres and workers or the causes leading to the decline in our economy but moreover, has continued to turn its back on the extremely urgent problems of life and usually intentionally poeticizes and beautifies the life that has long been depicted only in the newspapers and on radio and television. However, these grumbles and complaints come not only from outside but right from within the families of those engaged in press work whose loved ones can no longer endure articles so far detached from reality as to be merciless over the daily food and clothing concerns of everyone. A correspondent visited a village to write an article and take pictures of the village Level I school. He suggested that the female principal tell the students and teachers beforehand so they could wear nice clothes the following morning, and that the students should wear sandals when on regular days, a number were barefoot. The principal did not agree and said straightforwardly, "The lives of our students are extremely difficult, they lack warm clothing during cold weather, and some throw on a gunnysack to come to class. Upper echelons seldom visit the village or hamlets and when they see your pictures, they will be content because our teachers and students are leading a fairly prosperous life." However, the principal had to give in when the village leaders explained the necessity for maintaining the appearance of the village, the students and teachers could not be permitted to wear filthy clothing, and anyone without perfect clothing must be placed so they would not be in front of the camera lens.

The press emphasizes outstanding achievements and the receipt of millions of dollars and rubles but says too little about the exploited circumstances of

those producing products, export goods: shrimp, tea, coffee, peanuts, beans, etc., those who sweat the most but have an income five to seven and even ten to 20 times less than those intermediate elements that say much but do little. There is a total lack of reporting and investigation on social injustices exposing the false moral principles of those living extravagantly off the sweat and tears of the laborers.

A leader visited a city and held a reception for various classes of the people. Two workers reported sincerely and frankly to the leader when both spoke of the trifling monthly income of their families, details on the very minimum standard of living, and their inability to live on that income no matter how frugal they are. They also spoke of other extraordinary difficulties caused by authoritarianism, bribery and exploitation of laborers working with all their might but still forced to worry about each meal. Those attending the reception liked the ideas expressed by the two workers very much but when they read a description of the reception in the newspaper, the theme expressed by the two men was not mentioned.

At the session of the National Assembly at the end of 1985, after we had promulgated three urgent and subjective economic methods: money, prices and wages, everyone hoped that the most powerful agencies of the state would make the necessary decisions for halting power abuses and departures from reality at the basic level and for severely disciplining those cadres committing errors. The public closely followed this National Assembly session and especially after listening to the delegates who returned home to report, everyone enthusiastically noted that their elected delegates had accurately reflected the thoughts and aspirations of the electorate. All the newspaper readers and radio listeners were extremely surprised that the descriptive articles did not mention the discussion, debate and constructive opinions contributed by the people and the electorate to the government centering around the infinite harm caused by the three economic methods to our economy, their direct adverse effect on the food and clothing of millions of people, and their unintentional or intentional resistance to Resolution 8. Compared with previous sessions of the National Assembly, many people observed that the propaganda for this session was partially weak in color, and also poor and extremely lacking in form when the press, in propagandizing the National Assembly meeting, failed to print a single discussion. It is not without reason that everyone felt that the press had apparently intentionally minimized the success of the National Assembly session and the authentic victory of the people's delegates who had completed their mission with an extremely high spirit of responsibility. Many people had the idea that the National Assembly had not reached specific decisions and everyone waited for quality articles in the press presenting every calamity in basic production and business units and in every aspect of life caused by the three economic methods, and clearly stating the opinions of various classes of the people on the three economic methods. The press continued to uniformly report information about the National Assembly praising the achievements and accomplishments of localities, collectives and individuals; and assigning important functions to leading cadres while unreasonably reporting in a constant unilateral manner and never presenting information on the National Assembly removing a minister or higher position from office. The people, cadres and workers are fervently waiting for the National Assembly, the most powerful agency of the state, to

formulate strict and decisive methods dealing with individuals and state agencies that have made serious mistakes causing inestimable losses for our people. When an incident occurs that everyone admires and gives concern, the press does not mention it and conversely, when something happens that no one gives attention or expects, the press publishes and displays it gravely in a series of articles.

It is clear that a separation exists between the press and the readers; members of the press have recognized this bitter truth, an asset to be avoided for a revolutionary press. This separation will become wider and more distant each day if we dare not directly observe the immediate and obvious real situation: if the press becomes separated from the readers and the masses, what reason is there any longer for the press to exist?

President Ho was a great journalist. A writer, artist and photographer, the highest standard applied to each of his articles and photographs was whether the readers liked it and were satisfied. As for us over many years, the objective observations of readers and listeners have helped us to see ourselves.

On the occasion of Vietnam Press Day on 21 June and also right during the criticism and self-criticism drive, let's discuss the reasons leading to negative aspects in press activities.

1. Only working attentively in accordance with ideas from higher echelons and disregarding the opinions of the readers, being satisfied with praise only from upper echelons, and often failing to accept the opinions of the people, cadres and workers, especially those finding fault with the content or form of the newspaper, is not following the masses. A number of leading cadres and newspaper managers have an "affliction" of only thirsting for praise from above and stating immediately when anyone finds fault with the newspaper that "A praised it" or "B praised it," considering praise from upper echelons as decisive.

Members of the press must constantly contend for the opinions of leaders and must simultaneously, on the basis of thoroughly and profoundly understanding the resolutions and standing firmly on the viewpoint of the party, think independently and seek out new work and new people from the production and business movement at the basic level and the multifaceted activities in every field without being excessively dependent on the opinions of upper echelons. By only illustrating the opinions of upper echelons and illustrating resolutions and directives, the press is only fulfilling a too small portion of its mission; and more importantly and decisively, the press must discover the new and assist the upper echelons in recognizing innovations and renewal at the basic level, and inconsistencies in resolutions and directives in order to supplement and further perfect them. There are a great many cases in which the press plunges into propagandization of this or that typical model in accordance with a suggestion from above despite the fact that the people and cadres right on the spot call it non-unanimous. When writing the truth and reflecting the thoughts and aspirations of the people, it is easy to offend upper echelons and there have been occurrences of abandoning the people rather than incur the displeasure of upper echelons. It is for this very reason that a protracted situation occurs: when a location called a production model does not advance, upper echelons must pour in money and property to maintain the model title and the press continues to praise the model.

Conversely, typical models that are truly models rising from the basic level and praised by the people and cadres because it is their undertaking are not mentioned by the press. Here's an example:

In September of 1980, after the Political Bureau issued Resolution 26 on improving circulation and distribution work, the Long An Provincial Party Committee solitarily shifted to the single-price mechanism and eliminated all ration stamps and coupons. When first hearing this news, many people dared not believe it; how could a place be so daring, is there any location in the entire country that dares to eliminate ration stamps and coupons? Even a number of cities with concentrations of countless economic specialists, doctors and professors dared not do like Long An. Long An stuck out its neck by continuing to insist on the single-price mechanism with cadres, workers and public servants drawing wages with price subsidies and every type of goods purchased freely in the state stores or in the outside market and life was easier to endure than before. Returning visitors all acknowledged that Long An, by relying on this new mechanism, was able to control money and goods better than other provinces, was able to deliver more grain, food and cash than during any other year, and did not have many negative aspects like other provinces. One correspondent after another visited Long An in search of on-the-spot understanding but not one newspaper at the central level raised its voice in support. One year and then two years passed and the situation in every aspect in Long An become increasingly stable. Dozens of cadre groups from other provinces and a number of sectors at the central level went there to find out about the single-price mechanism and all sympathized with Long An, but many wondered why the newspapers were so excessively cautious. Finally in the middle of 1984, a newspaper at the central level mentioned Long An but only one passage in an article without daring to write a separate article. However, the paper was still criticized as being unprincipled and could only write about Long An when permitted.

As for the typical models rising at the basic level, the press at the central level should be sharing the fire and supporting them right from the experimental stage but instead is "drifting along" without calculation, hesitatingly and fearfully waiting for a directive from upper echelons that agrees before entering the game. As one provincial chairman said, "Only then do they raise their voices to support us which is no different than 'with a girl, the market is always crowded; when the girl gets married, the market is always happy [It's okay with or without you].'"

(Continued in the next issue)

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BIOGRAPHIC

VIETNAM

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Nguyễn Tấn Bang [NGUYEENX TAANS BANG], alias Nguyễn Tấn Đạt [NGUYEENX TAANS DATJ], Colonel, deceased

Born in 1927 at An Binh, Chau Thanh District, Can Tho Province; Deputy Commander of the Technical Department, 7th Military Region; member of the CPV; he died following an illness on 18 Jul 86 at the Thong Nhat Hospital, Ho Chi Minh City. (QUAN DOI NHAN DAN 25 Jul 86 p 4)

Nguyễn Báu [NGUYEENX BAUS], *Colonel

An Officer of the Military Medical Department; his article on epidemic prevention after flooding was in the cited source. (QUAN DOI NHAN DAN 3 Aug 86 p 4)

Nguyễn Văn Bú [NGUYEENX VAWN BUWAS], alias Nguyễn Hồng Lâm [NGUYEENX HOONGF LAAM], Major General, deceased

Born in 1922 at Tan My Dong Village, Hoc Mon District, Ho Chi Minh City; Deputy Commander-in-Chief of the 7th Military Region; member of the CPV; he died following a heart attack on 27 Jul 86 at the Dien Bien Phu Hospital. (QUAN DOI NHAN DAN 30 Jul 86 p 1)

Trưởng Công Cảnh [TRUOWONG COONG CAANR], *Lieutenant General

Commander of the Political-Military Officer School; on 2 Aug 86 he was present at the graduation of the 1st Military Journalist Course at his school. (QUAN DOI NHAN DAN 3 Aug 86 p 1)

Đổng Đình Chính [ZUWOWNG DINHF CHINFS], *Colonel

*Deputy Commander-in-Chief, Political, of the 15th Corps [Binh Doan]; he was mentioned in an article about his former unit, the 332nd Group. (QUAN DOI NHAN DAN 29 Jul 86 p 3)

Trưởng Chính [TRUWOWNGF CHINH]

*General Secretary of the CPV Central Committee; on 14 Jul 86 he was elected to this position by the Political Bureau of the CPV Central Committee. (NHAN DAN 15 Jul 86 p 1).

Nguyễn Huy Chương [NGUYEENX HUY CHUWOWNG], *Lieutenant General

His article "Party and Political Activities of the Volunteer Forces in North-eastern Cambodian's Front" in the Aug 86 TAP CHI QUAN DOI NHAN DAN was advertised in the cited source. (QUAN DOI NHAN DAN 6 Aug 86 p 2)

Lê Thành Công [LEE THANH COONG], Colonel

Deputy Commander, Director of Rear Service, 7th Military Region; recently he was interviewed by the daily SAIGON GIAI PHONG. (Ho Chi Minh City SAIGON GIAI PHONG 24 Jul 86 p 2).

Lai Văn Đam [LAIJ VAWN DAMJ], Colonel, deceased

Born in 1929 at Bang Khe Hamlet, Liem Chinh Village, Thanh Liem District, Ha Nam Ninh Province; Deputy Commander of the General Staff Combat Department; member of the CPV; he died following an illness on 10 Aug 86 at the 108th Military Hospital. (QUAN DOI NHAN DAN 11 Aug 86 p 4)

Bùi Văn Định [BUIF VAWN DINHF], Colonel, deceased

Born in 1937 at Pho Cuong Village, Duc Pho District, Nghia Binh Province; Division Political Commander, 7th Military Region; member of the CPV; he died following an illness on 25 Jul 86 at the 175th Military Hospital. (Ho Chi Minh City, QUAN DOI NHAN DAN 31 Jul 86 p 4)

Phạm Văn Đồng [PHAMJ VAWN DOONGF] aka Tô [TOO]

To is a nickname used by close friends for Pham Van Dong. Anh To (brother To) was used by friends (LAO DONG 22 May 86 p 4). Chu To (younger brother To) was used by Ho Chi Minh (Ho Chi Minh City SAIGON GIAI PHONG 28 May 86 p 2).

Nguyễn Hải [NGUYEENX HAIR], Colonel

Chief Political officer of the 15th Corps [Binh Doan]; he was mentioned in an article about his former unit, the 332nd Group. (QUAN DOI NHAN DAN 29 Jul 86 p 3)

Nguyễn Hoàng [NGUYEENX HOANGF], (deceased), Aka Huỳnh Ngọc Chiêu [HUYNHF NGOCJ CHIEEUS], Aka Hai An [HAI AN]

*Deputy Chief of the CPV Internal Affairs Department, Ho Chi Minh City; he died on 16 Jun 86 after a critical illness (Ho Chi Minh City SAIGON GIAI PHONG 20 Jun 86 p 1)

Lưỡng Tuấn Khang [LUWOWNG TUAANS KHANH], *Lieutenant General

Deputy Commander, 3rd Military Region; on 27 Jul 86 he accompanied General Van Tien Dung to visit the ready-made clothing enterprise operated by the war invalids. (NHAN DAN 27 Jul 86 p 1).

Lê Kim Khánh [LEE KIM KHANHS], Colonel

Chief of Project 660213, Military Metrology Center; recently he reported on the progress of his project. (QUAN DOI NHAN DAN 2 Aug 86 p 1)

Phan Thanh Kỳ [PHAN THANH KYF]

Recently he was relieved of his duties as Member of the CPV Committee and Director of the Water Conservancy Service, Ha Nam Ninh Province. (NHAN DAN 16 Jul 86 p 4).

Trần Lâm [TRAANF LAAM]

Member of the CPV Central Committee; Chairman of the Vietnam-Korea Friendship Association; on 24 Jul 86 he attended a film show marking the end of Korean Anti-U.S. month. (QUAN DOI NHAN DAN 27 Jul 86 p 4)

Hoàng Phùng Ngọc [HOANGF PHUNGF NGOCJ], *Colonel

His article "Stockpile in the Defense Line" in the Aug 86 TAP CHI QUAN DOI NHAN DAN was advertised in the cited source. (QUAN DOI NHAN DAN 6 Aug 86 p 2)

Nhân [NHAAN] see Trường-Chính

Another name for Truong Chinh. (DOC LAP 14 May 86 p 2)

Lê Phóng [LEE PHUWOWNG], Colonel, deceased

Born in 1925 in Thuy Khue, Ha Noi; former Political Officer of the Z.751 Factory, Technical General Department; member of the CPV; retired; he died on 29 Jul 86 at the 175th Military Hospital. (QUAN DOI NHAN DAN 2 Aug 86 p 4)

Vũ Quang [VUX QUANG]

Member of the CPV Central Committee; Head of the International Department of the CPV Central Committee; on 13 Jul 86 he welcomed the Soviet delegation to the funeral of the late Secretary General Le Duan. (NHAN DAN 14 Jul 86 p 1)

Nguyễn Minh Quất [NGUYEENX MINH QUAATS]

*Chairman of the People's Committee, Lang Son Province; recently he reported on flood damages in his province to the Minister of Agriculture. (NHAN DAN 29 Jul 86 p 1)

Lê Quý [LEE QUYS]

Deputy Chief of the Vietnam Broadcasting and Television Commission; on 17-24 Jul 86 he headed a delegation from his department to Phnom Penh to sign an agreement on radio and television cooperation for 1986-87. (QUAN DOI NHAN DAN 25 Jul 86 p 4)

Hoàng Bích Són [HOANGF BICHS SOWN]

Vice Minister of Foreign Affairs; on 13 Jul 86 he welcomed the Lao Delegation to the funeral of the late General Secretary Le Duan. (NHAN DAN 14 Jul 86 p 1).

Doãn Sửu [ZOANX SUWUR], *Major General

Head of the Policy Department of the Defense Ministry; on 27 Jul 86 he accompanied General Van Tien Dung to the ready-made clothing enterprise operated by the war invalids. (NHAN DAN 27 Jul 86 p 1).

Đinh Thiệu [DINH THIEENJ], *Lieutenant General

Deputy Chief, Rear Service General Department; on 27 Jul 86 he accompanied General Van Tien Dung to the ready-made clothing enterprise operated by the war invalids. (NHAN DAN 27 Jul 86 p 1).

Võ Tả Thông [VOX TAS THOONG], *Colonel

Commander of the 121st Military Hospital; recently he chaired a meeting on treatment of malaria at his unit. (QUAN DOI NHAN DAN 7 Aug 86 p 2)

Lê Ngọc Toàn [LEE NGOCJ TOANF], *Colonel

His article on "the Z.153 Factory Building Border Security Against Enemy's Sabotage" in the Aug 86 TAP CHI QUAN DOI NHAN DAN was advertised in the cited source. (QUAN DOI NHAN DAN 6 Aug 86 p 2)

Tổ [TOO] see Pham Văn Đồng

To is a nickname used by close friends for Pham Van Dong. Anh Tô (brother Tô) was used by friends (LAO DONG 22 May 86 p 4). Chú Tô (younger brother Tô) was used by Ho Chi Minh. (Ho Chi Minh City SAIGON GIAI PHONG 28 May 86 p 2)

Võ Anh Tuấn [VOX ANH TUAANS]

*Member of the Standing Committee, Hanoi Municipality; on 27 Jul 86 he attended a wreath laying ceremony at Mai Dịch Cemetery to commemorate War Invalids Day. (NHAN DAN 28 Jul 86 p 1).

Lê Thanh Vân [LEE THANH VAAN]

Member of the Standing Committee of the CPV Committee, Ho Chi Minh City; Director of the Public Security Service, Ho Chi Minh City; on 19 Jun 86 he delivered a funeral oration at the funeral of Nguyen Hoang, Deputy Chief of the CPV Internal Affairs Department, Ho Chi Minh City. (Ho Chi Minh City SAIGON GIAI PHONG 20 Jun 86 p 1).

Phan Đình Vĩnh [PHAN DINH VINH]

Deputy Head of the International Department of the CPV Central Committee; on 13 Jul 86 he welcomed the Lao Delegation that attended the funeral of the late Secretary General Le Duan. (NHAN DAN 14 Jul 86 p 1).

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